Supreme Court, U.S.
FILED

981641 APR 12 1999

OFFICE OF THE CLERK

No. _____

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM 1998

TRACY ASHCRAFT and
CAROLYN ASHCRAFT,
Petitioners,

v.

HWA-SHAIN YEH, M.D., and
MAYFIELD NEUROLOGICAL INSTITUTE, INC.
Respondents.

ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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51 pp

QUESTIONS PRESENTED FOR REVIEW

1. Do lower courts encourage docket congestion by allowing wrongdoers to profit by delay and avoidance of timely settlements by failing to impose prejudgment interest?

2. Does a United States magistrate deny due process of law by failing to provide prevailing parties a hearing in a "meaningful manner" as to their "right" to prejudgment interest?

3. Does the "due process" clause of the U.S. Constitution and Ohio State constitution protect the "right" of a parent to be compensated when a tortfeasor reduces an adult child to the status of an incompetent and the child's parents' parental duties are once again continually and permanently placed upon the parent given the child's new condition caused by the tortfeasor?

4. Does a magistrate err and violate the comity between State and Federal Judiciary when he orders (over objection) a "satisfaction of judgment" where a portion of the case is on-going in the State court system?

5. Is it constitutionally violative and a denial of full compensation to require plaintiff to pay a "registry fee" from plaintiffs' recovery where the magistrate erred in permitting defendant to pay a verdict into the clerk of court?

6. In a diversity action where the prevailing party has a "right" to interest upon a judgment, can a federal statute [28 U.S.C.§1961] constitutionally "take" away a litigants' state "right" to a higher rate of interest on a judgment by statute [Ohio Revised Code §1343.03].

7. Does a magistrate deny "due process" to a litigant and prevent plaintiffs' right to make a record, by refusing to disclose claimed "privileged" discovery materials, and then *ex parte* has the materials returned to defense counsel and denies a motion to make such documents a part of the record for purposes of appeal?

PARTIES TO THE PROCEEDING

Petitioner

TRACY ASHCRAFT and
CAROLYN ASHCRAFT

Respondents

HWA-SHAIN YEH, M.D., and
MAYFIELD NEUROLOGICAL INSTITUTE, INC.

TABLE OF CONTENTS

QUESTIONS PRESENTED FOR REVIEW i

PARTIES TO THE PROCEEDINGS iii

TABLE OF CONTENTS iv

TABLE OF AUTHORITIES vi

OPINIONS BELOW 1

JURISDICTION 1

CONSTITUTION AND STATUTORY PROVISIONS INVOLVED 2

REASONS FOR ALLOWING THE WRIT 2

STATEMENT OF THE CASE 2

CONCLUSION 29

APPENDIX:

Appendix A
Magistrate's Order Denying Prejudgment Interest 1a

Appendix B
Sixth Circuit Order Affirming Magistrate's Judgment 3a

Appendix C
District Court Order Denying Plaintiffs' Motion for Order Designating Record 5a

Appendix D
Order Granting Defendants' Motion (Doc. 173) for: (1), and Order of Satisfaction of Judgment regarding the Jury Verdict amount, and (2) the release of Defendants' Supersedeas Bond, 1/15/98 . . . . . 7a

Appendix E
Sixth Circuit Order denying petition for rehearing 10a

TABLE OF AUTHORITIES

Cases

Anodco, Inc. v. Reynolds Metals Co.,
572 F.Supp. 895, 896 (W.D. Mich, 1983),
aff'd, 743 F.2d 417 (6th Cir. 1984) 26

Arnett v. Kennedy,
416 U.S. 134, 94 S.Ct. 1633,
40 L.Ed.2d 15 (1974) 17

Boddie v. Connecticut (1971),
401 U.S. 371, 91 S.Ct. 780,
28 L.Ed.2d 113 20

Britt v. North Carolina,
404 U.S. 226, 227 (1971) 28

Brown v. Consolidated Rail Corp.,
614 F. Supp. 289 (N.D. Ohio E.D., 1985) 11

Cason v. Glass Bottle Blowers Asso.,
113 Cal.App.2d 263, 247 P.2d 931;
47 Am.Jur.2d Judgments, Section 979 24

Ducey v. Patterson,
37 Colo. 216, 86 P.109 . . . . . 24, 25

Galayda v. Lake Hosp. Sys., Inc.,
644 N.E.2d 298 (Ohio 1994) 15

Gallimore v. Children's Hospital Med. Ctr.,
67 Ohio St.3d 244,
617 N.E.2d 1052 (1993) 19, 20, 21

Harbeson v. Parke-Davis, Inc.
(1983) 98 Wash.2d 460, 656 P.2d 483
(CA9 Wash), 746 F.2d 517 21

Howard Frank M.D., P.C. v. Superior Court,
150 Ariz 228, 722 P.2d 955 (1986) 20

Ingle v. Dept. of Justice,
698 F.2d 259, at 263 (6th Cir., 1983) 29

Kaiser Aluminum & Chemical Corp. v. Bonjorno,
U.S. Pa. 1990, 110 S.Ct. 1570,
494 U.S. 827, 108 L.Ed.2d 842 . . . . . 26, 27

Kalain v. Smith,
25 Ohio St.3d 157 495
N.E.2d 572 (1986) 13, 15, 16, 18

Maski v. General Motors Corp.,
780 P.2d 566 Hawaii 1989) 20

Mills v. Dayton, (1985),
21 Ohio App.3d 208, 486 N.E.2d 1209 13

Moskovitz,
69 Ohio St.3d at 659, 635 N.E.2d at 348 . . 15, 16

Peyko v. Frederick,
25 Ohio St.3d 164, 495 N.E.2d 918 (1986) . . . 28

Rosario v. United States,
(1993, DC Mass) 824 F.Supp. 268 21

Rouse v. Riverside Methodist Hospital,
(1983), 9 Ohio App.3d 206,
459 N.E.2d 593 21

Royal Elec. Constr. v. OSU,
73 O.S.3d 111, (1995) 13

Sea-Land Service, Inc. v. Eagle Terminal Tankers,
443 F. Supp. 532, 534 (W.D. Wash. 977) 11

Seifert v. Burroughs,
526 N.E.2d 813 (1988) 23, 24

Shaw v. United States,
(1984, CA9 Wash), 741 F.2d 1202 21

Tech Hills II Associates v. Phoenix Mutual Life Ins.,
966 F.2d 1454 (6th Cir.) 23

The Cincinnati Gas and Electric Company v. General Electric Company,
864 F.2d 900 (CA 6, 1988) 17

United States of America ex rel. Taxpayers Against Fraud v. General Electric,
41 F.3d 1032 (6th Cir. 1994) 29

Weitz Co. v. Mo-Kan Carpet, Inc.,
723 F.2d 1382, at 1386-87 (8th Cir. 1983) 27

Yasuko N. Sakamoto v. John A. Walkup,
762 F.2d 1011 (6th Cir. 1985) 26

Statutes

Amendment V, U.S. Constitution 2, 27

Amendment XIV, U.S. Constitution 22

Article I, §16, Ohio Constitution 22

Fed. R. Civ. Pro. 73(b) 3

O.R.C. §1343.03 . . . . . 15, 16

O.R.C. §1343.03(C) 12, 13, 26

O.R.C. § 2743 22

28 U.S.C. §636(c) 3

28 U.S.C. §1961 . . . . . 6, 26, 27

U.S.D.C. (S.D., Ohio) Local Rule 7.2(a)(1) 25

Other

Court Congestion and Delay,
37 *Judges Journal* 12 (4) Spring 1998 9

Civil Justice Reform Act,
80 *Judicature* 184(6) Jan.-Feb. 1997 9

12 *Journal of Law, Economics & Organization*,
432-460 (Oct '96) 9

Lambros, The Summary Jury Trial,
A Report to the Judicial Conference of the
United States, 103 F.R.D. 461, 465 (1984) 17, 18

Compensating Parents for Their Nonfatally
Injured Child's Society: Extending the Notion
of Consortium to the Filial Relationship, 1989
U.Il. L. Rev. 761 (1993) 20

OPINIONS BELOW

The Sixth Circuit Court of Appeals' entry of January 11, 1999 denying petition for rehearing and petition for rehearing *en banc* is annexed hereto as an appendix [**Appendix E**]. Also annexed as an appendix is the magistrate's Judgment denying prejudgment interest [**Appendix A**]. The Sixth Circuit order affirming judgment of November 10, 1998 is attached as an appendix [**Appendix B**]. The order denying Plaintiffs' motion for order designating record is attached [**Appendix C**]. The magistrate's order granting defendants' motion for an order of satisfaction of judgment and release of defendants' supersedeas bond is annexed [**Appendix D**].

Appellants have filed with the Circuit Court for purposes of the record the transcript of the oral argument from the Sixth Circuit since the court issued its decision orally from the bench pursuant to Sixth Circuit Local Rule 19 and foreclosed any other "record" of the court's thought process for review other than the oral argument.

JURISDICTION

(a) The judgment of the trial court was entered on June 6, 1996, as a result of a medical malpractice negligence case brought under 28 U.S.C.§ 1332 due to diversity of the parties. The Magistrate Judge denied prejudgment interest to the prevailing party on March 31, 1997.

(b) The judgment of affirmance of the United States Court of Appeals for the Sixth Circuit is dated November 10, 1998.

(c) The order of the United States Court of Appeals for the Sixth Circuit denying the petition for rehearing is dated January 11, 1999.

(d) Jurisdiction to review the judgment in this question by certiorari by Title 28 U.S.C..§ 1254(1).

CONSTITUTION AND STATUTORY PROVISIONS INVOLVED

United States Constitution, Amendment V:

"No person shall ... be deprived of life, liberty, or property, without due process of law."

Ohio Revised Code § 1343.03

"(C) Interest on a judgment ... for payment of money rendered in a civil action based on tortious conduct and not settled by agreement of the parties, shall be computed from the date the cause of action accrued to the date on which the money is paid, if upon motion of any party to the action, the court determines at a hearing held subsequent to the verdict or decision in the action that the party required to pay the money failed to make a good faith effort to settle the case and that the party to whom the money is to be paid did not fail to make a good faith effort to settle the case."

STATEMENT OF THE CASE

Basis of Jurisdiction In First Instance

The district court below was presented with a diversity case involving the negligent removal of the right frontal portion of plaintiff's brain during surgery. The plaintiff was

a resident of the Commonwealth of Kentucky and defendant surgeon and his medical corporation were residents of the State of Ohio. Pursuant to 28 U.S.C. §636(c) and Fed. R. Civ. Pro. 73(b), the parties' case was tried before a Magistrate Judge and any appeal from that judgment would lie directly to the Court of Appeals for the Sixth Circuit.

Statement of Facts

The right frontal lobe of this young man's brain was erroneously removed in September, 1989. His medical malpractice litigation took **seven (7) years** to get to a jury determination which resulted in a verdict of $4.25 million. Throughout all seven years of litigation defendants refused to offer one penny in settlement even after the first several experts they went to not only informed them that the plaintiff did have a case, but that plaintiff should not have even been considered a surgical candidate!

The case was assigned to District Judge Spiegel who presided over the years of litigation until the morning of trial. On the morning of trial Judge Spiegel (due to his trial schedule) transferred the case to Magistrate Judge Sherman for purposes of jury trial. The Magistrate on the morning of trial completely "dismissed" the mother-caregiver's claim for loss of consortium (and refused to make a written order of his ruling).

Plaintiff, a young man of 21 years, underwent surgery to attempt to alleviate his epilepsy condition. During the work-up process it was determined that they were unable to adequately locate the exact source in the brain where the epilepsy was initially sparking ["the focus"]. This "focus" is the area which would need to be surgically removed if found. In the face of such insufficient focus location, the defendant-surgeon, nonetheless, went forward with surgery and removed

the entire cortical portion of right frontal lobe of this young man's brain.

Petitioner, Tracy Ashcraft, was operated upon by defendants without properly determining whether surgery should be attempted. As a result Tracy lost the frontal lobe of his brain and suffered severe permanent brain damage and now lives a "child-like" existence. Petitioner now, post-op, is deprived of normal human inhibitions and of his ability to care for himself or sense danger. He is in need of twenty-four hour supervised care and is subject to random outbursts of extreme violence (all of which he has no memory). He has a severely damaged short term memory; i.e. not being able to recall what he reads at the top of a page by the time he gets to the bottom of page. His mother has been appointed his legal guardian.

The expense of a 24-hour residential program and the continuing care this young man will need throughout the rest of his life was testified to at trial to range from $7,000,000 to $14,000,000.

After a three week trial and jury deliberations of one week, it resulted in a verdict for plaintiffs in the sum of $4.25 million for Tracy Ashcraft. [The magistrate dismissed the mother's claims and they were not considered by the jury].

Under Ohio law, to encourage timely settlements and to provide "full compensation" a prevailing party is "**entitled**" to prejudgment interest if the losing party did not adequately and reasonably evaluate their litigation risks" [*Kalain v. Smith*, 25 Ohio St.3d 157 495 N.E.2d 572 (1986)].

The defendants' "claims file" demonstrated that experts that were contacted on behalf of defendants were telling the defendants from the beginning that plaintiffs had a good case and that they did not even think plaintiff was a candidate for the surgery to begin with!

Interestingly, the claims file also showed that the defendants first four choices for expert review resulted in the defendants not using those experts. The only expert defendants ended up with was a personal friend of over 25 years who had not even reviewed all the evidence. The same expert attempting to defend the defendants' conduct was also not even aware of the pre-op report showing the inadequate work-up to find the focus.

The prejudgment interest motion pended for seven months before the magistrate from June, 1996 until his ruling on March 31, 1997. The magistrate on the record indicated that he was "ready to rule" on the motion before evidence was ever offered into the record. The magistrate failed to even consider evidence to grant plaintiffs' their prejudgment interest.

A hearing on prejudgment interest was concluded on Friday, March 28,1997, in the late afternoon (2:30pm). At this point the Magistrate had not had the **963** pages of claims file nor the **300** pages of depositions, so such could not have been even read, let alone considered by the court until that time. However, the following working day (Monday morning) his terse Entry Denying Prejudgment Interest had already been typed, filed and time-stamped: March 31, 1997, **11:05 a.m.**!

While on its face it is clear that the Magistrate did not consider the evidence; his short Entry confirms his clearly erroneous conduct in that he states that plaintiffs did not present "**ANY** evidence" to support prejudgment interest. The record is obviously completely to the contrary.

SATISFACTION OF JUDGMENT [Appendix E]

Compounding plaintiffs' denial to "full compensation" the magistrate also granted a motion to enter an Order of "satisfaction of judgment" while portions of the case were actively on appeal (and a collateral suit pending in state court

involving other defendants).

Defendants filed their appeal from the jury's verdict. On November 12, 1997, just before the defendants' appellate brief was due, defendants dismissed their appeal [R. 172] and paid the verdict not to plaintiffs, but with the magistrate's approval into the clerk of court.

Defendants then moved the district court (Magistrate) to order a satisfaction of judgment. Plaintiffs' objected since such could affect the pending appeal and the other collateral action pending in the Ohio Court of Claims against the other two State employed physicians. [R.173; R.175]. The magistrate granted defendants' motion for an Order of satisfaction which necessitated an appeal of that ruling also. [R.183].

"REGISTRY FEE" DEDUCTION

The magistrate by allowing the defendants to pay the verdict into the clerk of court (not to plaintiffs) caused plaintiffs to lose $1,086.60 due to a "registry fee" deducted by the clerk of courts.

POST-JUDGMENT RATE OF INTEREST

The magistrate also approved calculating post-judgment interest under 28 U.S.C. §1961 (at approximately 5% interest) by defendant. Once again this represents another avenue for defendants to make money on delay of settlements.

The Circuit court failed to address the magistrate's failure to consider evidence but were more preoccupied with size of the verdict rather than the legal standard of review. It is apparent from the Sixth Circuit's comments that the plaintiffs were penalized for their taking part in settlement

negotiations and since they received a substantial partial verdict, they should be happy with that. This mindset is precisely why defendants can laugh at being concerned about federal litigation.

The Sixth Circuit seemed preoccupied with the fact that the judgment involved a large monetary number. While in a vacuum that may be so; this young man has to deal with $7-14 Million dollars in necessary care and treatment for the rest of his life. This judgment, although seemingly large, fell far short of the minimum needed for this man's life necessities, let alone any compensation. This is why the litigation involving the other two physicians pending in State Court is so important and should not be interfered with by a federal magistrate.

If the magistrate had granted the prejudgment interest of approximately $3 Million this judgment would have provided this young man with the compensation properly due him. On the contrary the lower courts here have become mere tools to aid and abet in denying full compensation to injured parties. Such attitude clearly rewards the wrongdoers and punishes those who believe in our judicial system.

REASONS FOR GRANTING THE WRIT

The courts are in need of every tool to relieve docket congestion. One of the most powerful devices is prejudgment interest. However, prejudgment interest is only a deterrent to wrongdoers if it is ever a reality. This case presents the Court with an exemplary case to send a message that the federal courts will not permit itself to be used by wrongdoers to delay proper payment to injured parties. A wrongdoer should not be able to retain and use $4.25 million to their advantage for seven (7) years of litigation without

offering one penny for settlement and pocket the profits. If tortfeasors cause significant damage and do not reasonably and objectively make a "good faith effort" to resolve the case, prejudgment interest should be granted to serve two purposes: 1) to deter languishing litigation; and 2) to make the injured party "whole" from the date of his injury. If there was ever a case that prejudgment interest should have been granted, this is it.

This case also presents this Court with the opportunity to recognize and protect the family value of the parent-child relationship. When a wrongdoer causes your child significant permanent brain damage, reducing the child to "infant" status, such "loss" of one's child (even if the child is past the age of majority) is a right to be protected. When a parent must suspend their lives and devote the rest of their lives to a perpetual "child"; society should recognize such sacrifice with proper compensation. To fail to recognize, protect and preserve such relationship is the ultimate denial of due process, for what "taking" could be more substantial to a parent.

ARGUMENT 1 & 2 [argued together]

1. The lower courts encourage docket congestion by allowing wrongdoers to profit by delay and avoidance of timely settlements.

2. The United States Court of Appeals and District Court denied Petitioners due process of law by failing to provide a hearing in a "meaningful manner" as to their "right" to prejudgment interest.

The congestion of the judicial dockets has been an expanding, perplexing issue in constant search of exploring

ways to decrease the load. ["Court Congestion and Delay," 37 *Judges Journal* 12 (4) Spring 1998; "Just, Speedy and Inexpensive? Judicial case management under the Civil Justice Reform Act," 80 *Judicature* 184(6) Jan.-Feb. 1997; "Institutional causes of delay in settlement of legal disputes;" 12 *Journal of Law, Economics & Organization*, 432-460 (Oct '96).]

One of the most effective tools in docket management is granting prejudgment interest to the prevailing party; i.e. not to reward the wrongdoer for foot-dragging. Elementary economics demonstrates that the longer one can hold money and "use" the money, the better and higher the financial benefit. It is commonplace that institutional return on capital far exceeds that of typical investors. Therefore, the real puppeteers directing these sums, the insurance companies, have no incentive whatsoever to pay a liability, particularly substantial sums, prior to the last minute. This case is classical. The first expert review obtained by defendants was negative and the company memo states: "We can't use him." (underlined twice!). The next three experts consulted by defendants were also not used after negative reviews. How a magistrate can ignore this evidence and find this was a "good faith" believe of "no liability" is incredulous. Defendants classic use of the appeal process was evidenced in that defendant filed a notice of appeal, knowing full well there was no appealable issue; and did not dismiss the appeal until the time of their appeal brief was due.

In fact, the insurance company in this case made at least $1,224.42/daily on the $4.25 million assuming even a modest rate of 10% interest [while most similar institutions' return is at least double that return]. The $4.25 million if invested in 1989 (at the time of the negligent surgery and injury) would have grown to at least **$8,282,047.68** by the

time of trial ($9,745,437 by the time judgment was paid). Therefore, by the court refusing to even consider prejudgment interest rewards the wrongdoer by allowing the wrongdoer to use the "time" of litigation to pay the judgment itself and still profit.

Another avenue which is strongly suggested by the district courts is having magistrates try the case instead of the district judge. Here the case was pending until the day of trial with the district judge. The morning of trial we were placed in the position of either agreeing to a magistrate or waiting another year for a trial date. We assumed the magistrate would produce some semblance of justice. This experience was a costly lesson to never agree to a magistrate if this is the extent of judicial quality which one can expect.

The district judge, who had the case for the entire time, but for the magistrate-trial, testified at the prejudgment hearing that he thought the defendants should have settled. Nonetheless, such evidence was ignored and the magistrate summarily denied prejudgment interest. [Appendix A]

The Sixth Circuit was preoccupied with the notion that it was a relatively, large verdict, stating:

> "And there's been, obviously, a very, very substantial recovery made in this case. And, I suppose plaintiff counsel can be happy that the defendants didn't settle the case, because the jury and the Court below in the end were very generous in the award. With that, the case will be decided." [p.30, appeal oral argument].

Here plaintiff was injured by defendant in September,

1989 and did not receive a verdict until June, 1996![1]

As was stated by the court in *Brown v. Consolidated Rail Corp.*, 614 F. Supp. 289 (N.D. Ohio E.D., 1985):

> "The purpose of awarding prejudgment interest is to insure that an injured party is fully and fairly compensated for his loss (*Sea-Land Service, Inc. v. Eagle Terminal Tankers*, 443 F. Supp. 532, 534 (W.D. Wash. 1977). In other words, prejudgment interest is a means by which a party who is **entitled** to an award can collect the proceeds from funds he presumably would have had the use of had it not been for the defendant's conduct."

Pursuant to discovery plaintiffs' obtained the "claims file" from defendants' insurer, (Physicians Insurance Company of Ohio ["PICO"]), and such was entered into evidence [Pltf. #3]. The claims file comprises over **969** pages [Exhibit 3]. Plaintiffs tendered pursuant to Fed.R.Evid. 1006 a "summary" of said documents, which the magistrate refused such and denied its admission into evidence. So he did not have the benefit of any "summary" of the claims file materials.

When the parties appeared for hearing concerning the motions and the law, the magistrate asked during the hearing: "What is a claims file?" [11/11/96 T.p.7]. When the exhibits were mentioned, the magistrate stated: "I'm not aware there were exhibits.." [3/26/97 T.p.4]. Before either party had completed the hearing or admitted any exhibits, the magistrate

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[1] Defendants further took an appeal to the Sixth Circuit and kept that "alive" by diversion to the Conference Attorney's office until they finally dismissed the appeal in late December, 1997 and not paying the judgment until mid-January, 1998!

stated on the record that he was "ready to rule." The parties had to remind the magistrate that we had not completed the hearing or admitted evidence at that point!

The hearing admitting this claims file occurred on Friday, March 28, 1997 and concluded at 2:30 p.m. The Magistrate's "opinion" denying prejudgment interest was docketed the following Monday morning, March 31, 1997 at **11:01 a.m.** Without benefit of the summary of the claims file, plus six deposition transcripts (300 pages) to read, it is difficult to explain to clients (who still have faith in the system) how a court can be so swift in its ruling when so much reading and legal consideration of same would be involved.

If prejudgment interest is to be denied under the facts presented in this case, then there is no hope for any plaintiff to ever recover same. The facts of this case demonstrate a concerted arrogance to refuse to reasonably consider settlement contrary to law. This case through the lower courts holdings demonstrate to defendants they would be crazy to want to settle any matter expeditiously; to do so would be against their clients best interests, and such conduct is done with apparent court protection and approval.

Ohio Revised Code Section **1343.03(C)** states:

> "Interest on a judgment, decree, or order for the payment of money rendered in a civil action based on tortious conduct and not settled by agreement of the parties, shall be computed from the date the cause of action accrued to the date on which the money is paid, if, upon motion of any party to the action, the court determines at a hearing held subsequent to the verdict or decision in the action that the party required to pay the money failed to make a good faith effort to settle

the case and that the party to whom the money is to be paid did not fail to make a good faith effort to settle the case."

The Ohio Supreme Court in *Royal Elec. Constr. v. OSU*, 73 O.S.3d 111, (1995) stated:

> "An award of prejudgment interest encourages prompt settlement and discouraged defendants from opposing and prolonging, between injury and judgment, legitimate claims. Further, prejudgment interest does not punish the party responsible for the underlying damages as suggested by appellees, but, rather, it acts as compensation and serves ultimately **to make the aggrieved party whole**. (See generally, *Moskovitz*, 635 N.E.2d at 346-7)".

The Ohio Supreme Court in *Kalain v. Smith*, 25 Ohio St.3d 157 495 N.E.2d 572 (1986); stated:

> "The statute was enacted to promote settlement efforts, to prevent parties who have engaged in tortious conduct from frivolously delaying the ultimate resolution of cases, and to encourage good faith efforts to settle controversies outside a trial setting. [p.574]
>
> "The statute requires all parties to make an honest effort to settle a case. A party may have "failed to make a good faith effort to settle" even when he has not acted in bad faith. (*Mills v. Dayton*, (1985), 21 Ohio App.3d 208, 486 N.E.2d 1209.."
>
> "A party has not "failed to make a good faith effort to settle" under R.C. 1343.03(C) if he has (1) fully cooperated in discovery proceedings, (2) rationally evaluated his risks and potential liability, (3) not attempted to unnecessarily delay any of the proceedings, **and** (4) made a good faith monetary settlement offer or responded in good faith to an offer

from the other party. If a party has a good faith, objectively reasonable belief that he has no liability, he need not make a monetary settlement offer."

Here the magistrate's Order [Appendix A] stated:

"The Court finds, based upon the evidence presented at the hearing, and having presided at the trial, that defendants had a good faith, objectively reasonable belief that they had no liability and were therefore not required to make a monetary settlement offer. Defendants' good faith, objectively reasonable belief was supported by an evaluation of the evidence, an analysis of the law, the opinions of qualified expert witnesses, and a prior summary judgment verdict in favor of defendants."

This finding is clearly erroneous and contrary to the record. As previously stated, the first four "qualified expert witnesses" contacted by defendants were favorable to plaintiff, not defendant. The one expert they did use had not been shown all of the evidence.

The "summary judgment verdict" [sic] referred to by the magistrate was in fact a summary jury trial in which the jury stated they could not make a determination on way or the other without "seeing" the expert witnesses, but if liability was established the verdict would be about $4 million. If anything these facts demonstrate that there could not have been an "objectively reasonable belief" on these facts that there was "no liability." [In fact this is why the district judge suggested a settlement figure of at least $2 million and testified that in his opinion the case should have been settled.]. {This magistrate was not involved in the case at the time of the summary jury trial.}

The magistrate further found: "there is **no evidence**

that defendants failed to fully cooperate in discovery proceedings or attempted in any way to unnecessarily delay any of the proceedings." [p.2, JA000056]

Again, this is clearly contrary to the evidence. Plaintiffs had requested discovery of the videotape presentation of defendant discussing this type of surgery. It was represented that it did not exist. When plaintiff was literally closing the case, a phone call was placed (to plaintiffs' counsels' office) that they finally found it. Plaintiffs also had searched for several years for the head x-ray taken after surgery. It was "missing" and the last person to sign it out was defendant. This was denied by defendant. It eventually showed up in the courtroom in defendant's possession. If this is "full cooperation in discovery" then many of us have been laboring under significant misconceptions for years!

The legal standard for prejudgment interest is conjunctive and to be "strictly construed" to carry out the purpose of the statute. The Ohio Supreme Court in *Galayda v. Lake Hosp. Sys., Inc.*, (644 N.E.2d 298 (Ohio 1994) stated:

> "Existence of a good faith, objectively reasonable belief of nonliability does not excuse a defendant from the remaining *Kalain* obligations to (1) fully cooperate with discovery, (2) rationally evaluate risks and potential liability, and (3) refrain from unnecessary delaying maneuvers. *Id.* at syllabus. Moreover, the "good faith, objectively reasonable belief" language of *Kalain* must be "**strictly construed** so as to carry out the purposes of R.C. 1343.03." *Moskovitz*, 69 Ohio St.3d at 659, 635 N.E.2d at 348. The purposes of R.C. 1343.03 would not be furthered by construing the evidence most favorably to the party

> opposing a motion for prejudgment interest as a trial court must do when ruling on a motion for directed verdict or summary judgment, or by limiting the examination of the defendant's conduct to the time of the trial or the evidence presented at trial. A defendant may well have fallen short of the good faith requirement of R.C. 1343.03, even where a trial court would have been justified in overruling a motion for summary judgment prior to trial or a motion for directed verdict made during trial.

"We have reviewed the record established in the prejudgment interest hearing held in the case at bar and find that the trial court was well within its discretion in ordering prejudgment interest pursuant to R.C. 1343.03. The trial court found that the defendants had stated a position of "no offer and no settlement in such unmistakably rigid terms" following presentation of plaintiff's initial settlement demand that plaintiff's presentation of any reduced demand would have been "a vain act" and that the defendants had thereby "effectively terminated all chance for good faith negotiation." The court concluded that the defendants had "not rationally evaluate[d] the essential risks of a plaintiff's verdict, and had failed to respond in good faith" to a good faith offer from the plaintiff. A trial court does not abuse its discretion in awarding prejudgment interest when, as here, a defendant "just says no" despite a plaintiff's presentation of credible medical evidence that the defendant physician fell short of the standard of professional care required of him, when it is clear that the plaintiff has suffered injuries, and when the causation of those injuries is arguably attributable to the defendant's conduct. We find the trial court's determinations on this issue wholly in accord with the purposes of R.C. 1343.03 and with the standards set forth in *Kalain* and *Moskovitz*, supra."

Due process guarantees a hearing "in a meaningful manner" (*Arnett v. Kennedy*, 416 U.S. 134, 94 S.Ct. 1633, 40 L.Ed.2d 15 (1974). Clearly such was denied petitioners here, by both the magistrate and the Circuit Court.

Here the evidence, if reviewed, clearly shows that defendants failed to make a reasonably objective evaluation of their potential liability and steadfastly refused to make "any" settlement offer whatsoever. Rather than "strictly construing" the law to effectuate its purpose, as dictated by the Ohio Supreme Court, here the lower courts erroneous failed to consider the actual evidence or at best liberally construed the law to bring about a reward to wrongdoers and created a hallmark case to add precedent to foster continuing docket congestion.

The plaintiffs, by undergoing settlement negotiations and agreeing to a demand, were obviously penalized by the Circuit court; "but you were going to settle this case for two point something, didn't you -- weren't you? [Circuit oral argument, p.3].

This was an allusion to a point in time when the district judge convinced plaintiffs at a settlement conference to settle if the defendants would offer $2 million. To this demand the defendants responded that they had no interest in settlement. So the Circuit Court now erroneously see that as "relevant" to prejudgment interest determination.

As the Sixth Circuit stated in *The Cincinnati Gas and Electric Company v. General Electric Company*, 864 F.2d 900 (CA 6, 1988):

> "The summary jury trial was developed in 1980 by United States District Judge Thomas D. Lambros. The primary purpose of the summary jury trial is the 'settlement of disputes.' Lambros, *The*

> *Summary Jury Trial, A Report to the Judicial Conference of the United States*, 103 F.R.D. 461, 465 (1984).....To emphasize the purely settlement function of the exercise, the mock jury is often asked to assess damages even if it finds no liability. Also, the court and jurors join the attorneys and parties after the 'verdict' is returned in an informal discussion of the strengths and weaknesses of each side's case."

Here as the record indicates, the jury was unable to determine which experts to believe without "seeing" them; however, the jury did conclude that if liability is determined verdict in the range of $4 million was reasonable. This "settlement" information was used by the courts against petitioners here, rather than in support of settlement. The parties are informed that the summary jury trial is "non-binding and has no effect on the merits of the case, other than settlement." However, if this is how the courts will utilize a party's effort to achieve settlement, then no reasonable party will ever submit to a summary jury trial. And one would be foolish to undertake any settlement negotiations in a federal court system.

The Sixth Circuit failed to apply a correct "legal" standard of review. Instead, the court was most impressed that the plaintiff seemingly large verdict. The court further apparently applied the Ohio standard of *Kalain* in the disjunctive, rather than conjunctively as Ohio law indicates. That is, the lower court and Circuit court seemed to feel that if there was any way they could find that defendant had a objective reasonable belief that they had "no liability" that ended the inquiry. However, there are other requirements to avoid prejudgment interest, the most important of which on this record is the lack of discovery and secreting of evidence. That requirement is conveniently side-stepped by the lower

courts.

Parties before a federal court should be able to expect competent judges (magistrates) who will at least "consider" the evidence. Due process includes a "meaningful hearing." When lower courts demonstrate a clear lack of consideration of evidence such conduct demeans the entire judiciary and adds fuel to the fire of the public's lack of confidence in our judiciary and entire justice system. A case such as this affects the entire lifetime of a human being; it is not just a determination of a balance sheet. This case can send a very important signal to half of the litigators that the federal system will not reward or permit wrongdoers to use the court system as a partner to deny citizens their rights to full and timely compensation which is guaranteed them by the U.S. Constitution.

ARGUMENT 3

3. The "due process" right of the U.S. Constitution includes a parents right to be compensated when a tortfeasor reduces their adult child to the status of an incompetent and parental duties are once again continually and permanently placed upon the parent.

Under Ohio law, a parent may recover damages for loss of filial consortium, including services, society, companionship, comfort, love, solace and nursing care, in a derivative action against a tortfeasor who reduces her adult son to the existence of a minor. [*Gallimore v. Children's Hospital Med. Ctr.*, 67 Ohio St.3d 244, 617 N.E.2d 1052 (1993)].

Given the extensive and permanent brain damage suffered by Tracy Ashcraft in this situation, his mother, Carolyn Ashcraft has lost her son who she knew prior to

September, 1989 [the brain lobe removal]. This is comparable to a wrongful death action by the mother.

The U.S. Constitution protects fundamental "family" rights (*Boddie v. Connecticut* (1971), 401 U.S. 371, 91 S.Ct. 780, 28 L.Ed.2d 113). The Ohio Supreme Court in *Gallimore v. Children's Hospital Medical Center*, 67 Ohio St.3d 244, 617 N.E.2d 1052 (1993) permitted the parent a cause of action for loss of a minor child's consortium and services. The magistrate herein granted defendant's motion to dismiss the mother's claim in its entirety.

Certainly if a tortfeasor's actions reduces your adult child to an infant once again, one that needs constant care, such wrong should have a remedy under the laws of Ohio. To deny plaintiff here the right to a remedy would violate the Ohio and Federal Constitutions provisions for due process and open courts. Such result would provide Carolyn Ashcraft with no remedy for the wrongful acts of defendants which have taken away the "activities and enjoyment of life experiences normally shared by parents and their children." [*Gallimore*, at p.1058-59]. Other courts have found that parents have a cause of action for loss of consortium against third party who negligently injures their adult child [*Howard Frank M.D., P.C. v. Superior Court*, 150 Ariz 228, 722 P.2d 955 (1986); *Maski v. General Motors Corp.*, 780 P.2d 566 Hawaii 1989); *"Compensating Parents for Their Nonfatally Injured Child's Society: Extending the Notion of Consortium to the Filial Relationship,"* 1989 U.Il. L. Rev. 761 (1993).]

The Supreme Court of Arizona sitting *en banc* in the *The Howard Frank, M.D.* case (supra) stated:

> "no meaningful distinction can be drawn between death and severe injury where the effect on consortium is concerned. Often death is separated

from severe injury by mere fortuity [p.957-958]."

"Perhaps the loss of companionship and society experienced by the parents of a child permanently and severely injured ...is in some ways even greater than that suffered by parents of a deceased child. Not only has the normal family relationship been destroyed, as when a child dies, but the parent also is confronted with his loss each time he is with his child and experiences again the child's diminished capacity to give comfort, society, and companionship." [p.958]

"We do not believe that an age distinction is justified. [p.960] * * * we believe parent should have a remedy in damages against a negligent tortfeasor whose actions have so severely injured the parents' adult child that they are deprived of their child's society, companionship, love and support, -- in short, of the child's consortium. * * * we can find no reason for limiting the class of plaintiffs to parents of minor children when the parents of adult children may suffer equal or greater harm." [p.961].

The court in *Harbeson v. Parke-Davis, Inc.* (1983) 98 Wash.2d 460, 656 P.2d 483, later proceeding (CA9 Wash), 746 F.2d 517 the child's age did not limit the parents' recovery. Also in *Shaw v. United States* (1984, CA9 Wash), 741 F.2d 1202 the court did not limit damages to the child's minority. [Also see: *Rosario v. United States* (1993, DC Mass) 824 F.Supp. 268.]

The court in *Rouse v. Riverside Methodist Hospital*, (1983), 9 Ohio App.3d 206, 459 N.E.2d 593, found that a cause of action exists in Ohio for a parent to recover from a wrongdoer the reasonable value of care or attendance which he himself renders to his child as a result of negligent injury to such child. Here the magistrate's ruling precluded even this recovery.

The Ohio Supreme Court in *Gallimore, supra*, was very clear that it was "not creating a new right." [p.1058]

> "Thus, we now formally recognize the apparently long-existing right of a parent to recover damages for loss of filial consortium.....The parent-child relationship is unique, and it is particularly deserving of special recognition in the law." [p.1057].

The magistrate's ruling deprived plaintiff-mother herein a remedy for a legal wrong in violation of Ohio Constitution Article I, Section 16[2] and the Fifth Amendment and Fourteenth United States Constitution.

ARGUMENT 4

4. The Magistrate Judge erred in ordering a "satisfaction of judgment" where a portion of the case is on-going in the State court system. [Appendix E]

The magistrate granted defendants' motion for an order "satisfying judgment" over plaintiffs' objection. Under Ohio law it has been held that a "satisfaction of judgment" ends the case. Plaintiffs having the issue of denial of prejudgment interest on appeal clearly did not want to the district court to jeopardize the status of the pending appeal by taking such action or to affect the on-going collateral case still pending in the State Court of Claims (pursuant to ORC §2743; which requires a separate filing against the State (or its

---

[2] Ohio Constitution Art. I, Section 16:

"All courts shall be open, and every person, for an injury done him in his land, goods, person, or reputation, shall have remedy by due course of law, and shall have justice administered without denial or delay.

employees) only in the State Court of Claims). A satisfaction of judgment should not have been entered (or entertained) until the matter has been fully concluded. [Defendant has, as anticipated, already filed a motion in the State court claiming the "satisfaction" entered by the magistrate puts an end to that State litigation].

After defendants realized they had no appealable issues and after using the verdict money for 18 months, defendants, just prior to the briefing deadline, dismissed their appeal [11/12/97; R.172]. Defendants then agreed to pay the verdict but submitted a "satisfaction of judgment" for plaintiffs to sign. Plaintiffs suggested they would be willing to enter into an "agreement not to execute" upon that portion of the case [i.e the jury's verdict] given the law of Ohio; however, this was rejected by defendants. It was obvious that this was rejected because the defendants wanted to use the "satisfaction" for use in the State court.

Defendants then moved the district court for an Order of satisfaction of judgment and release of their supersedeas bond. [12/18/97; R. 173].

Plaintiffs were concerned that such Order might affect the pending appeals and pending State litigation and suggested at most an "entry of partial satisfaction." However, the magistrate granted defendants' motion and entered an order of "satisfaction of judgment" to which plaintiffs objected and which was appealed.

Given the court's insistence to enter its Order plaintiffs were put in the position of having to appeal so as to not be said to have "waived" its appeal of the other pending issue. (*Tech Hills II Associates v. Phoenix Mutual Life Ins.*, 966 F.2d 1454 (6th Cir.). This legal principle was confirmed by the Ohio Supreme Court in *Seifert v. Burroughs*, 526 N.E.2d

813 (1988).

The district court erred in entering an Order of Satisfaction since aspects of the case were active and pending on appeal.

The defendants' proposed an entry very similar to that used in *Seifert*; viz. to "**reserve** their Appeal." However, the parties in *Seifert* stated specifically, with regard to their appeal:

> "With this entry, plaintiffs (sic) respectfully **reserve** their (sic) right to proceed against Mohammed S. Singapuri, M.D. and Children's Hospital Medical Center."

The *Seifert* court, while considering such language, found said appeal to be "moot" since an entry of satisfaction of judgment was entered. The court held that an injured plaintiff may obtain only one satisfaction:

> "Having received satisfaction from one tort-feasor, the plaintiff may not complain further against other joint tort-feasors *** The plaintiff may try to reserve a right against the other tort-feasors, but the reservation is only as efficacious as the right."

The court held that the "satisfaction precludes appellant from seeking further redress... despite the reservation of rights language in the entry."

This elementary legal principle is substantiated in caselaw throughout the country. "The general principle is well settled that a satisfaction of judgment is the last act and end of the proceeding, and there can be but one satisfaction of a judgment." (*Cason v. Glass Bottle Blowers Asso.*, 113 Cal.App.2d 263, 247 P.2d 931; 47 Am.Jur.2d Judgments,

Section 979.)

Also other jurisdictions have dismissed appeals where a entry of satisfaction has been entered (*Ducey v. Patterson*, 37 Colo. 216, 86 P.109).

Further, contrary to U.S.D.C. (S.D. Ohio) Local Rule 7.2(a)(1), defendant cited no legal authority upon which to premise this extraordinary request of the magistrate for a "satisfaction." The magistrate should not have entered an Order of Satisfaction of Judgment in this case given the procedural posture. As predicted defendant has now advanced the position that said "satisfaction" precludes plaintiff from pursuing their collateral action against the other defendant physicians and is attempting to foreclose plaintiffs from proceeding in the Court of Claims as to the other defendants.

To preserve the comity between Federal and State judicial systems, the Order granting a "satisfaction" should be reserved.

ARGUMENT 5

5. It is constitutionally violative and denies full compensation to require plaintiff to pay a "registry fee" from plaintiffs' recovery where the magistrate erred in permitting defendant to pay a verdict into the clerk of court.

By the maneuver of paying the verdict into court (rather than to plaintiffs) the defendant caused a "registry fee" to be assessed by the clerk against the verdict amount which translated into a reduction of $1,086.60 to plaintiffs from the sum due and owing plaintiff. [1/16/98 Registry Entry]. Defendant should not be permitted to utilize the United States

clerk to short-change plaintiffs from their full compensation. Such "registry fee" should have been assessed against defendants, not plaintiffs. Therefore, the very purpose of making the plaintiff "whole" is thereby frustrated by defendants' magistrate-approved action.

The court should have at the very least required defendant to pay any "registry fee"; not plaintiffs.

ARGUMENT 6

6. If a citizen in a diversity action is entitled under State law to collect a particular interest on a judgment, the federal court cannot constitutionally take said "right" away by statute.

Defendant computed the post-judgment "interest" until it made its payment into the clerk's office. Defendant apparently computed the interest at less than 6%, allegedly utilizing 28 U.S.C.§ 1961. If this was the calculations, such percentages clearly deny plaintiffs their "due process" rights for full and fair compensation. In a diversity case involving a non-contractual case, the correct standard to be used is the State statutory mandate for post-judgment interest (Ohio Revised Code §1343.03(C)) [at 10%].

Defendants calculated the interest and apparently used the formula in 28 U.S.C. §1961. The Sixth Circuit has held that State law applies to post-judgment interest in diversity cases. (*Yasuko N. Sakamoto v. John A. Walkup*, 762 F.2d 1011 (6th Cir. 1985); *Anodco, Inc. v. Reynolds Metals Co.*, 572 F.Supp. 895, 896 (W.D. Mich, 1983), aff'd, 743 F.2d 417 (6th Cir. 1984).

The United States Supreme Court has held that the purpose of post-judgment interest is to compensate successful

plaintiffs for being deprived of compensation for loss from the time between ascertainment of damage and payment by defendant. (*Kaiser Aluminum & Chemical Corp. v. Bonjorno*, U.S. Pa. 1990, 110 S.Ct. 1570, 494 U.S. 827, 108 L.Ed.2d 842.

As has been noted, other than the primary purpose to "make whole" a plaintiff, post-judgment interest also is to serve the purpose of creating an incentive for unsuccessful defendants to avoid frivolous appeals. (*Weitz Co. v. Mo-Kan Carpet, Inc.*, 723 F.2d 1382, at 1386-87 (8th Cir. 1983); S.Rep. No. 275, 97th Cong. 2d Sess. 30, reprinted in 1982 U.S. Code Cong. & Admin. News 11, 40.

In applying the reduced percentages of 28 U.S.C. §1961 (ranging from 5.42% to a high of 6.06%); one can readily see that the statute's purpose is turned on its head! When the passage of time or conditions change to frustrate the purpose of a statute and unconstitutionally deprive citizens of their full rights in the judicial system, a court should put a stop to continued injustice. Defendants are encouraged by such low percentages to file frivolous appeals and "use" that money which in their hands clearly returns more than 5-6%.

Application of such statute not only frustrates the public policy and purpose of the statute, but it unconstitutionally deprives plaintiffs from ever obtaining "full" compensation.

Therefore, 28 U.S.C. §1961, as applied in this case, is unconstitutional and violates the United States Constitution, Amendment V by denying due process of law.

In order to be "made whole" the court should apply interest per the Ohio statute on interests on judgments (Ohio Revised Code § 1343.03(C) which was applicable at the time of entry of judgment [i.e. 10%].

ARGUMENT 7

7. The lower courts' permitting of the Magistrate to have *ex parte* communications with defense counsel undermines fundamental fairness and such conduct diminishes the public trust in the judiciary.

After the verdict plaintiffs moved for prejudgment interest pursuant to Ohio law. Under the law of Ohio plaintiffs had a "right" to discovery of the "claims file" in the prejudgment interest hearing process. (*Peyko v. Frederick*, 25 Ohio St.3d 164, 495 N.E.2d 918 (1986)). Defendants produced their insurance "claims file" but withheld twelve (12) documents from plaintiffs claiming such were "privileged." Defendants requested an *in camera* review of such documents by the magistrate. [R.152; pp. 21-22].

In preparing petitioners' appeal, plaintiffs requested by motion that the magistrate include in the record those documents which were the subject of the *in camera* request. [R.179; 1/23/98]. The magistrate denied said motion and informed plaintiffs (for the first time) that he had already returned the documents back to defendants! [R. 180; 2/2/98]. [Appendix C]

Such *ex parte* procedure in releasing documents back to the defendants without any record being made clearly denies plaintiffs their due process and equal protection rights and is clearly erroneous.

Basic to a litigant's rights to due process and equal protection is the "right" to have a record of the legal proceeding. The United States Supreme Court in *Britt v. North Carolina*, 404 U.S. 226, 227 (1971) held that even indigent defendants in criminal cases must be provided with "a transcript of a prior proceeding when that transcript is

needed for an effective defense or appeal."

The Sixth Circuit has found the practice of preventing a party from obtaining a proper record is erroneous. *In United States of America ex rel. Taxpayers Against Fraud v. General Electric*, 41 F.3d 1032 (6th Cir. 1994) the district court was found to have erred in not providing transcripts to opposing counsel of an in camera proceeding.[41 F.3d at 1042].

The Sixth Circuit has also recognized that an appellate court is deprived of an effective review if not provided "a similar in camera review of the same documents." (*Ingle v. Dept. of Justice*, 698 F.2d 259, at 263 (6th Cir., 1983)).

The magistrate's intolerable conduct should not be approved by the federal courts. This conduct of "going through the motions" fails far short of a "meaningful hearing" as guaranteed in our system. If the public is to have any trust and confidence in the legal system in this country this travesty should be remedied and send a message to recalcitrant wrongdoers to resolve cases timely and reduce the litigation in this country.

CONCLUSION

The public policy to encourage settlement will be dealt a serious blow if this case is permitted to stand to reward this type of arrogance of the law demonstrated by the defendants involved in this case. The allowance of prejudgment interest will not only be proper, but will provide plaintiff with near the amount of damages he should have been awarded according to the evidence which was presented. Full compensation can be achieved by this court's action and send a very clear and needed voice to the lower courts to use all available tools to effectuate settlements to lessen the docket

caseload.

In this age a wrongdoer can create significant, life-changing damages. When a tortfeasor causes permanent brain injury to a child, (even one who is over the age of majority), the parents of such child should be able to recover compensation for their personal loss and their care and nursing of their child who has now been reduced to a permanent child by the wrongdoer's act. Our society claims to be concerned with "family values." This Court should not uphold the legal finding that the relationship between parent and child is "worthless" in the eyes of the law.

Petitioners pray that this Court will grant certiorari and give hope to individuals that this is still a Court of the People and to send a message to litigation parties that this Court will enforce all settlement avenues to reduce docket congestion; and to show that this Court does "value" the family relationships between parent and child.

Respectfully submitted,

/s/_____
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APPENDIX A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

[Filed March 31, 1997]

No. C-1-92-248

TRACY ASHCRAFT, et al.,
Plaintiffs,

v.

HWA-SHAIN YEH, MD, et al.,
Defendants.

ORDER DENYING PLAINTIFF'S MOTION FOR PREJUDGMENT INTEREST

This is a medical malpractice consent case in which, after fifteen days of trial, a jury returned a $4,250,000 verdict in favor of plaintiff. Now before the Court is Plaintiffs' Motion for Prejudgment Interest (Doc. 106) and Defendants' Response In Opposition to Plaintiffs' Motion For Prejudgment Interest (Doc. 109). A hearing was held on the above motion on January 10, 1997 and on March 28, 1997, wherein attorneys for all parties were present.

In his motion plaintiff claims prejudgment interest is mandated because "defendants failed to make a reasonable objective evaluation of their potential liability and steadfastly refused to make 'any' settlement offer." (*See* Doc. 106). Plaintiff relies upon Ohio Revised Code Section 1343.03(C) which mandates a payment of prejudgment interest where "the court determines at hearing held subsequent to the verdict or decision in the action that the party required to pay the money failed to make a good faith effort to settle the case, and that the party to whom the money is to be paid did not fail to make a good faith effort to settle the case."

The Court finds, based upon the evidence presented at the hearing, and having presided at the trial, that defendants had a good faith, objectively reasonable belief that they had no liability and were therefore not required to make a monetary settlement offer. *See Kalain v. Smith*, 25 Ohio St. 3d 157 (1986). Defendants' good faith, objectively reasonable belief was supported by an evaluation of the evidence, an analysis of the law, the opinions of qualified expert witness, and a prior summary judgment verdict in favor of defendants. Additionally, there is no evidence that defendants failed to fully cooperate in discovery proceedings or attempted in any way to unnecessarily delay any of the proceedings in this case. *See Kalain, supra*.

For these reasons, the Court finds that an award of prejudgment interest in this case is not supported by fact or law and DENIES same.

IT IS SO ORDERED.

Date: 3/31/97 /s/_____
Jack Sherman, Jr.
United States Magistrate Judge

APPENDIX B

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

[Filed November 10, 1998]

No: 96-3804 : 98-3207 : 98-3208

TRACY ASHCRAFT; Plaintiff	)
CAROLYN ASHCRAFT, Plaintiff-Appellants,	)
v.	)
HWA-SHAIN YEH, M.D.; MAYFIELD NEUROLOGICAL INSTITUTE, INC.; Defendants-Appellees	)
MICHAEL PRIVITERA, M.D., Defendant.	)

ORDER

BEFORE: MERRITT, FARRIS*, and COLE, Circuit Judges.

This cause having come on to be heard upon the record, the briefs and the oral argument of the parties, and upon due consideration thereof,

The court finds that no prejudicial error intervened in the judgment and proceedings in the district court, and it is therefore ORDERED that said judgment be and it hereby is affirmed.

ENTERED BY ORDER OF THE COURT

/s/_____
Leonard Green, Clerk

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* The Honorable Jerome Farris, Circuit Judge of the United States for the Ninth Circuit, sitting by designation.

APPENDIX C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

[Filed February 2, 1998]

No. C-1-92-248

TRACY ASHCRAFT, et al., Plaintiffs,	)
v.	)
HWA-SHAIN YEH, M.D., et al., Defendants.	)

ORDER DENYING PLAINTIFF'S MOTION "FOR ORDER DESIGNATING RECORD" (DOC. 179)

Now before the Court is plaintiffs' motion "for order designating record" (doc. 179). The motion concerns the Court's prior in camera documents review, and the plaintiffs' desire to have those documents presented to the Sixth Circuit, so that the document, and the merits of the Court's decision, can be reviewed on appeal.

The motion is not well taken. It is the Court's understanding that, were the Sixth Circuit to request review

of the documents in question, the Sixth Circuit Clerk would make such a request to the District Court Clerk, who would then forward the documents to the Sixth Circuit. No such request was made in this instance.[1] Accordingly, plaintiffs' motion is premature.

Moreover, even if such a request were to be made, the documents could likely not be produced to the Sixth Circuit, for it is the Court's additional understanding that the documents were returned to defendants following completion of the in camera review. In other words, the subject documents were never retained by the Clerk as an exhibit. Accordingly, even if the Court were inclined to grant the motion, it could not, for it cannot award plaintiffs the relief they now seek.

For these reasons, the motion is DENIED. Should the Sixth Circuit eventually request the documents from the District Court Clerk, and should the documents be found to be retained by the Clerk as an exhibit, the Court would, of course, fully cooperate in having the documents reviewed by the Court of Appeals.

IT IS SO ORDERED.

Date: 1/29/98

/s/_____
Jack Sherman, jr.
United States Magistrate Judge

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[1] Plaintiffs' remedy, therefore, is to contact the Sixth Circuit Clerk directly regarding this issue, or to file an appropriate motion with the Court of Appeals.

APPENDIX D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

[Filed 1/15/98]

No. C-1-92-248

TRACY ASHCRAFT, et al.,
Plaintiffs,

v.

HWA-SHAIN YEH, M.D.; et al.,
Defendants.

ORDER GRANTING DEFENDANTS' MOTION (DOC. 173) FOR: (1), AN ORDER OF SATISFACTION OF JUDGMENT REGARDING THE JURY VERDICT AMOUNT, AND (2) THE RELEASE OF DEFENDANTS' SUPERSEDEAS BOND

Defendants recently dismissed their Sixth Circuit appeal of the jury's verdict, and agreed to pay plaintiffs the full amount of that verdict. Accordingly, the Court today heard oral argument on the merits of defendants' motion for an Order of Satisfaction of Judgment, and release of their supersedeas bond. See docs. 173 (motion), 175 (plaintiffs'

opposition memorandum), 176 (defendants' reply). For the reasons then stated on the record, the motion is GRANTED AS FOLLOWS:

1. Because defendants deposited with the Clerk of Courts on December 17th, 1997 the full amount of the jury verdict, plus appropriate post-judgment interest dating from the June 6, 1996 entry of judgment to December 17th (a sum totalling $4,624,797.32), the Court finds defendants have SATISFIED the jury's verdict. Accordingly, the Clerk is directed to ENTER A SATISFACTION OF JUDGMENT ON THIS CLAIM ONLY;

2. The deposited sum, and all interest that has accrued on that sum since its December 17th deposit in the Court's interest-bearing account, shall be paid by the Clerk to "John H. Metz, Attorney for Plaintiffs in C-1-92-248; for Deposit into Mr. Metz's IOLTA Trust Account." Thereafter, Mr. Metz shall transfer all appropriate funds to the Tracy Dale Ashcraft Trust, as authorized by the Probate Court for Kenton County, Kentucky. See doc. 175, ex. E (Dec. 29, 1997 Order establishing Trust);

3. Because plaintiffs still have two claims remaining on appeal in the Sixth Circuit -- i.e., their appeal concerning (1) the dismissal of Carolyn Ashcraft's loss of consortium claim, and (2) the denial of their motion for an award of pre-judgment interest -- THE SATISFACTION OF JUDGMENT SHALL NOT CONCERN THOSE TWO CLAIMS, and both claims shall remain pending on appeal; and

4. Pursuant to this Order, the Clerk shall RELEASE DEFENDANTS' SUPERSEDEAS BOND.

IT IS SO ORDERED.

Date: 1/14/98 /s/_____
Jack Sherman, Jr.
United States Magistrate Judge

APPENDIX E

UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT

[Filed January 11, 1999]

No: 96-3804 : 98-3207 : 98-3208

TRACY ASHCRAFT, Plaintiff,	)
CAROLYN ASHCRAFT, Plaintiff-Appellants,	)
v.	)
HWA-SHAIN YEH, M.D.; ET AL., Defendants-Appellees	)
MICHAEL PRIVITERA, M.D., Defendant.	)

ORDER

BEFORE: MERRITT, COLE, and FARRIS,[1]
Circuit Judges.

The court having received a petition for rehearing en banc, and the petition having been circulated not only to the original panel members but also to all other active judges of this court, and no judge of this court having requested a vote on the suggestion for rehearing en banc, the petition for rehearing has been referred to the original panel.

The panel has further reviewed the petition for rehearing and concludes that the issues raised in the petition were fully considered upon the original submission and decision of the case. Accordingly, the petition is denied.

ENTERED BY ORDER OF THE COURT

/s/_____
Leonard Green, Clerk

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[1] Hon. Jerome Farris, Senior United States Circuit Judge for the Ninth Circuit Court of Appeals, sitting by designation.

Supreme Court, U.S.
FILED
MAY 12 1999
CLERK

(2)

No. 98-1641

IN THE

Supreme Court of the United States

TRACY ASHCRAFT and CAROLYN ASHCRAFT,

Petitioners,

v.

HWA-SHAIN YEH, M.D. and
MAYFIELD NEUROLOGICAL INSTITUTE, INC.,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit

RESPONDENTS' BRIEF IN OPPOSITION

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PARTIES TO THE PROCEEDING

The petition accurately lists the parties to the proceeding.

Respondent, Mayfield Neurological Institute, Inc., has no parent companies and there are no publicly held companies that own 10% or more of its stock.

TABLE OF CONTENTS

Page

Parties to the Proceeding i

Table of Contents ii

Table of Cited Authorities iv

Statement of the Case 1

Reasons for Denying the Writ 14

I. The Facts Of The Case And Course Of The Proceedings Did Not Support The Imposition Of Prejudgment Interest. 14

II. The United States District Court Provided A Meaningful Hearing On The Petitioner's Motion For Prejudgment Interest 14

III. The State Of Ohio Has Not Recognized A Parental Claim For Loss Of Consortium With An Adult Child Where The Child Has Been Non-Fatally Injured And The "Due Process" Clause Of The United States Constitution Is Not Violated Where No Property Right Existed. 20

IV. The District Court Properly Ordered A Satisfaction Of Judgment Where Respondent Had Paid The Amount Of The Judgment Into The Court. 24

Contents

	Page
V. Petitioners' Payment Of A Registry Fee Did Not Violate The Federal Constitution.	25
VI. In A Tort Action Brought In Federal Court Based On Diversity Of Jurisdiction, Postjudgment Interest Should Be Calculated According To Federal Law.	26
VII. Petitioners' Failure To Make Any Timely Effort To Preserve The Record Of Privileged Portions Of Respondents' "Claim File". ...	29
Conclusion	30

TABLE OF CITED AUTHORITIES

Page

Cases:

Adams-Arapahoe Joint School Dist. No. 28-J v. Continental Ins. Co., 891 F.2d 772 (10th Cir. 1989) 27

American Tel. & Tel. Co. v. United Computer Systems, Inc., 98 F.3d 1206 (9th Cir. 1996) 27

Andoco, Inc. v. Reynolds Metal`zs Co., 572 F. Supp. 895 (W.D. Mich. 1983), *aff'd*, 743 F.2d 417 (6th Cir. 1984) 27, 28

Baker v. Superior Court, 19 Cal. 3d 461, 563 P.2d 871, 138 Cal. Rptr. 315 (1977) 23

Black v. Bell, 20 Ohio App. 3d 84 (1984) 19

Brown v. Consolidated Rail Corp., 614 F. Supp. 289 (N.D. Ohio ed. 1985) 19

Chapman v. Cole & Intel Container Intern. B.V., 865 F.2d 676 (10th Cir. 1989), *cert. den., Urquhart & Hassel v. Chapman & Cole*, 493 U.S. 872 (1989) 27

Cole & Broomsticks, Inc., Case Nos. C-950058 and C-950086, First District Court of Appeals of Ohio (Nov. 15, 1995) 22, 23

Cited Authorities

	Page
Condero v. DeJesus-Mendez, 922 F.2d 11 (1st Cir. 1990)	25, 26
Devex Co. v. General Motors Corp., 638 Fed. Supp. 940 (D. Del. 1986)	26
Evans v. City of Chicago, 873 F.2d 1007 (7th Cir. 1989), *reh'g den., cert. den.*, 495 U.S. 956 (1990)	27
Everaard v. Hartford Acc. And Indem. Co., 842 F.2d 1186 (10th Cir. 1988)	27
Forest Sales Corp. v. Bedingfield, 881 F.2d 111 (4th Cir. 1989)	27
Gallimore v. Children's Hospital Medical Center (Case No. C-890808, First District Court of Appeals, February 6, 1992)	18
Gallimore v. Children's Hospital Medical Center, 67 Ohio St. 3d 244, 617 N.E.2d 1052 (1993)	21, 22, 23, 24
G.N. Broad. & Co., Inc. v. U.S. Home Corp., 759 F.2d 1526 (11th Cir. 1985)	27
Happy Chef Systems, Inc. v. John Hancock Mut. Life Ins. Co., 933 F.2d 1433 (8th Cir. 1991)	27

Cited Authorities

Page

Harmon v. Clark Equipment Co., 657 F. Supp. 873 (D. Me. 1987) 27

Holman v. Grandview Hospital Medical Center, 37 Ohio App. 3d 151 (1987) 18, 19

Howard Frank, M.D., P.C. v. Superior Court, 150 Ariz. 228, 722 P.2d 955 (1986) 21, 22

Ingle v. Dept. Justice, 698 F.2d 259 (6th Cir. 1983) 30

Inssho-Iwai Co., Ltd. v. Occidental Crude Sales, Inc., 848 F.2d 613 (5th Cir. 1988) 27

Kalain v. Smith, 25 Ohio St. 3d 157, 495 N.E.2d 572 (1986) 15, 19

Mobile Exploration & Producing North American, Inc. v. Graham Royalty, Ltd., 910 F.2d 504 (8th Cir. 1990) 27

Overbek v. Heimbek, 101 F.3d (1996) 26

Peyko v. Frederick, 25 Ohio St. 3d 164, 495 N.E.2d 918 (1986) 30

Pickering v. Peskin, 43 Ohio App. 401 (1930) 24

Plant v. Estate of Rogers, 959 F. Supp. 1302 (D. Colo. 1997) 27

Cited Authorities

	Page
Royal Elec. Constr. v. OSU, 73 O.S.3d 111 (1995)	19
Seifert v. Burroughs, 526 N.E.2d 813 (1988)	25
United States of American, ex rel. Taxpayers Against Fraud v. General Electric, 41 F.3d 1032 (6th Cir. 1994)	30
Vrable v. Vrable, 9 Ohio App. 3d 263 (1983)	24
Weitz Co. v. M-Kan Carpet, Inc., 723 F.2d 1382 (8th Cir. 1983)	29
Wilson v. Burlington Northern R. Co., 803 F.2d 563 (10th Cir. 1986), *cert. den.*, 480 U.S. 946 (1987)	27
Yasuko N. Sakamoto v. John A. Walkup, 762 F.2d 1011 (6th Cir. 1985)	28
Statutes:	
28 U.S.C. § 1332	1, 26
28 U.S.C. § 1961	4, 26, 27, 28, 29
Ohio Revised Code § 1343.03(C)	14, 15, 19, 26
1982 Subsec. (a) Pub. L. 97-164, § 302(a)(1), (2)	28

Cited Authorities

Page

United States Constitution:

Fifth Amendment 28

Sixth Amendment 29

Fourteenth Amendment 24

Rules:

Fed. R. Civ. P. 67 ..... 25, 26

Fed. R. Evid. 1006 13

Other Authority:

Extending the Motion of Consortium to the Filial Relationship, 1989 U.Il.L. Rev. 761 (1991) 20

STATEMENT OF THE CASE

This Petition seeks this Court's review of six Orders from the United States District Court of the Southern District of Ohio, Western Division, in a medical negligence case that was brought under 28 U.S.C. § 1332 due to diversity of the parties.

This medical negligence action was filed on March 20, 1992 by the Petitioners against the Respondents as well as other medical providers. [R.1 Complaint dated March 20, 1992, JA 000022]. This was a refilling of an action that was previously dismissed other than on the merits. [Tr. 1/10/97, pp. 169, JA 000308]. The Petitioners' claims arise from epilepsy brain surgery that was performed on Tracy Ashcraft by Respondent Dr. Yeh in 1989. That surgery involved the removal of a portion of Petitioner Tracy Ashcraft's right frontal lobe rather than a removal of the entire right frontal lobe as misstated in the Petitioner's Statement of Facts. At the time of his surgery, Tracy Ashcraft was twenty years old.

The case proceeded to a Summary Jury Trial on December 18, 1995, which resulted in a verdict in favor of Respondents. Petitioners made their *first* settlement demand at a Settlement Conference in January, 1996. In view of the results of the Summary Jury Trial and in consideration of their evaluation of the case including the expert witnesses, Respondents determined that they had no liability in the case and no settlement offer was made.

The case proceeded to Trial beginning on May 16, 1996 and the jury returned with a verdict in favor of the Petitioner Tracy Ashcraft in the amount of Four Million Two Hundred Fifty Thousand Dollars ($4,250,000.00) on June 10, 1996. The District Court directed a verdict in favor of Respondents on the loss of consortium claim of Petitioner Carolyn Ashcraft following opening statement of the parties. Judgment was entered on June 10, 1996 [R. 105, Judgment, 1/10/96, JA 000027].

Thereafter, Petitioners filed a Motion for Prejudgment Interest [R. 106, 1/10/96, JA 000029]. Respondents filed their Memorandum in Opposition to the Motion for Prejudgment Interest and oral argument was requested [R. 109, Memorandum, 6/20/96, JA 000031]. A Hearing took place on October 11, 1996 to review discovery issues between the parties relating to the Prejudgment Interest Motion [R. 152, Civil Minutes, 10/11/96, JA 000088].

Respondents moved for a protective order on Petitioners' discovery on approximately twelve (12) documents in its insurer's claims file which it claimed was privileged [R. 152, p. 22-23]. The court held an *in camera* inspection at the October 11, 1996 Hearing and ordered that the documents were privileged and properly withheld.

Petitioners did nothing to preserve the record of these privileged documents for appeal until January 23, 1998 when, long after the October 11, 1996 Hearing, Petitioners moved the court to complete the record by including the documents from the *in camera* inspection [R. 179; 1/23/98]. The court denied the Motion on February 2, 1998 for the reason that the court understood that the Sixth Circuit Clerk would make a request to the District Court Clerk if it intended to review the documents and the District Court Clerk would then forward them to the Sixth Circuit and no such request was made in this instance [R. 184, 3/2/98]. Further, the Clerk never retained the documents as an exhibit (because Petitioner never requested that they be marked as an exhibit), they were returned to the Respondents [R. 184, 3/2/98]. Petitioners' failure to request that the documents be marked as an exhibit is a waiver.

A day long Evidentiary Hearing on the Motion for Prejudgment Interest took place on January 10, 1997 at which time witnesses for the Petitioners and the Respondents were called [R. 155, Civil Minutes, 1/10/97, JA 000144]. An additional hearing on the Motion for Prejudgment Interest took place on March 28, 1997 [R. 178, Civil Minutes, 3/28/97, JA 000369]. The District Court filed its Order denying the

Motion for Prejudgment Interest on March 31, 1997 [R. 157, Order, 3/31/97, JA 000055]. Petitioners filed their Notice of Appeal on April 21, 1997 [R. 158, Notice of Appeal, 4/21/97, JA 000058].

On December 17, 1997, Respondents paid Four Million Six Hundred Twenty Four Thousand Seven Hundred Ninety Seven Dollars Thirty Two Cents ($4,624,797.32) into the District Court, representing the verdict plus the entire amount of postjudgment interest that had accrued to that date and moved the District Court to order a Satisfaction of Judgment [R. 173]. Petitioners opposed the Satisfaction of Judgment and argued that a Satisfaction of Judgment would prejudice their pending appeal [R. 175]. Petitioners did not object to the amount that Respondents had paid for postjudgment interest of the manner in which it was calculated [R. 175]. After oral argument, the District Court granted Respondents' Motion for Satisfaction of Judgment, but limited it to only the verdict and postjudgment interest that had accrued until December 17, 1997 [R. 177]. The District Court specifically ordered that the Satisfaction of Judgment did not concern the Petitioners' claims which were pending in the Sixth Circuit Court of Appeals (Petitioner Carolyn Ashcraft's loss of consortium claim and Petitioner Tracy Ashcraft's appeal from the Trial Court's denial of prejudgment interest) [R. 177].

The Clerk had deposited the Four Million Six Hundred Twenty Four Thousand Seven Hundred Ninety Seven Dollars Thirty Two Cents ($4,624,797.32) paid by Respondents on December 17, 1997 into an interest bearing account. On January 16, 1998, the Clerk was ordered to pay to Petitioner the Judgment plus all interest that had accrued to that date [1/16/98 Registry Entry, R. 190]. Even though the Clerk deducted One Thousand Eighty One Dollars Sixty Cents ($1,081.60) for registry fee, Petitioner was ultimately paid Four Million Six Hundred Thirty Five Thousand Six Hundred Sixty Three Dollars Thirty One Cents ($4,635,663.31), nearly Eleven Thousand

Dollars ($11,000.00) more than Respondents and paid to the Clerk to satisfy the Judgment [1/16/98, Registry Entry, R. 190].

Postjudgment interest was calculated according to 28 U.S.C. § 1961 which provides the rate of interest on Judgments in a civil case heard in a U.S. District Court.

The Petitioner first objected to the calculation of postjudgment interest when he filed his Notice of Appeal. No argument or objection regarding the calculation of postjudgment interest was made to the District Court.

Respondents paid the money into the court for the simple reason that Petitioners refused to provide the Respondents with a Satisfaction of Judgment if they, in fact, paid the amount of the Judgment to the Petitioners. To avoid ever escalating postjudgment interest and to obtain a Satisfaction of Judgment that they would rightfully be entitled to if they paid the Judgment, Respondents paid the Judgment into the court.

After the Petitioners' action was refiled in 1992, the Respondents filed an Answer and served significant discovery requests including Interrogatories and Request for Documents on the Petitioners. [Tr. 1/10/97, pp. 169, JA 000308]. The Petitioners' responses to the Respondents' discovery requests were very important from the standpoint of evaluating Tracy Ashcraft's condition prior to surgery and his condition following surgery. The Respondents found it particularly important to investigate this matter with regard to any proximate causal relationship between the surgery and the claimed injuries [Tr. 1/10/97, pp. 170, JA 000309]. The only way for the Respondents to obtain all of the medical records in the case was to obtain the records through the Petitioners [Tr. 1/10/97, pp. 170-171, JA 000309-000310] [Combs depo., pp. 17-18, JA 000591]. The Petitioners apparently had some difficulty in obtaining records from the University of Cincinnati Medical Center, not from the Respondents [Tr. 3/28/97, pp. 28, JA 000396].

Unfortunately, the Respondents did not receive answers to their discovery requests until approximately two years later in

1994. The Petitioners' delay in providing discovery responses interfered with the Respondents' ability to evaluate the case and the Respondents could not make a determination as to whether or not there was a proximate causal connection or endeavor to obtain expert witnesses without all of the medical records in the case which could not be obtained without the cooperation of the Petitioners [Tr. 1/10/97, pp. 172, JA 000311].

In fact, prior to Trial, Respondents sent an assistant to Petitioners' counsel's office to help put together Petitioners' medical records which were a mess [Tr. 1/10/97, pp. 105, JA 000246-000247]. A joint exhibit of medical records was put together and there were a few pages that were mistakenly included that included some highlightings [Tr. 1/10/97, pp. 109-110, JA 000251-000252]. These were replaced before they went to the jury.

With regard to the missing lateral x-ray, the fact that an x-ray was missing in the University of Cincinnati Medical Center records is not surprising — it happens all the time [Tew depo., pp. 50, JA 000753].

The Petitioners did not identify their expert witnesses until 1994, more than two years after the case was refiled [Tr. 1/10/97, pp. 173, JA 000312]. When Petitioners' experts were identified, their depositions were not timely provided by the Petitioners despite Respondents' requests for those depositions [Tr. 1/10/97, pp. 173-174, JA 000312-000313]. The deposition of the Petitioners' expert neurologist, Dr. Krauss, and the Petitioners' expert neurosurgeon, Dr. Penney, were not obtained until a few weeks before Trial, in April, 1996 — four years after the action was refiled [Tr. 1/10/97, pp. 174, JA 000313]. Dr. Krauss acknowledged that Respondent Dr. Yeh, was entitled to rely on the interpretations made by the treating neurologist, Dr. Privitera [Combs depo., pp. 24, JA 000592]. A neurologist deals with issues from a medical standpoint whereas the neurosurgeon deals with the issues from a surgical standpoint [Tr. 1/10/97, pp. 174-175, JA 000313]. The Petitioners' neurosurgeon witness, Dr. Penney, agreed in his deposition that

the Respondent Dr. Yeh was entitled to rely on the consultation of the treating neurologist, Dr. Privitera [Tr. 1/10/97, pp. 175, JA 000314]. While initially a Respondent in this action, Dr. Privitera was dismissed as he was an employee of the University of Cincinnati and, therefore, any claims against him must be brought against the State of Ohio in the Ohio Court of Claims.

Despite the difficulties in obtaining medical records and discovering the identities of the Petitioners' experts, the Respondents endeavored to obtain their own experts in the case. These experts did not come from a pool of friends of the Respondents [Tr. 1/10/97, pp. 176, JA 000315]. It is true that Mayfield Neurological Institute, Inc., Dr. Yeh's group, is an internationally recognized group of neurologists and neurosurgeons with whom most expert witnesses in the field of neurology or neurosurgery would be familiar. [Tr. 1/10/97, pp. 176-177, JA 000315-000316]. The Respondents looked at a number of expert witnesses which included Dr. Rayport. Dr. Rayport was not used, but he was not critical of the Respondents, contrary to Petitioners' misstatements. Respondents' counsel consulted with Dr. Rayport and he had no criticisms of the Respondents, but Dr. Rayport used a different means and mechanism in providing the same treatment and it was determined that the Respondents would rather utilize somebody that used the same approach [Tr. 1/10/97, pp. 178, JA 000317]. Contrary to Petitioners' misstatements in their Petition, Dr. Rayport did not have the opinion in this case that Respondents were negligent [Tr. 1/10/97, pp. 179, JA 000318].

The Respondents also considered Dr. Anderman who was also not critical of the Respondents and, in fact, was very supportive [Tr. 1/10/97, pp. 179, JA 000318]. However, Dr. Anderman was a citizen of Canada and the Petitioners indicated that they would object to his testimony in the case since he was not licensed in the United States [Tr. 1/10/97, pp. 179, JA 000318]. Thus, the Respondents elected not to use Dr. Anderman for fear that his testimony would be prohibited.

The Respondents also considered Dr. Wyler. Initially, Dr. Wyler was "on the fence" as far as his opinion based on the initial records he was provided [Tr. 1/10/97, pp. 180, JA 000319]. The Respondents were having difficulties obtaining records in the case and, thus, experts could not be given all the records initially. After Dr. Wyler received the additional records, he had a very favorable opinion for the Respondents and intended to testify [Tr. 1/10/97, pp. 180, JA 000319]. Petitioners objected to the Respondents' use of Dr. Wyler since the Petitioners had previously contacted him regarding this case [Tr. 1/10/97, pp. 180, JA 000319] [Combs depo., pp. 11-13, JA 000589-000590]. In fact, it was discovered that the Petitioners' counsel had contacted at least twenty nine potential expert witnesses across the country although they certainly did not use those witnesses at Trial [Combs depo., pp. 12, JA 000589]. A Hearing was held before Magistrate Steinberg on the issue of use of Dr. Wyler as the Respondents did not want to give up Dr. Wyler as an expert. Unfortunately, the Respondents were not permitted to use Dr. Wyler [Tr. 1/10/97, pp. 180-181, JA 000319-000320]. Interestingly, the Petitioners did not call Dr. Wyler at Trial even though their Petition suggests that his opinions would have been favorable to Petitioners [Tr. 1/1097, pp. 181, JA 000320].

The Respondents also consulted Dr. Gates, but the effort to have Dr. Gates review the case was short circuited when Respondents' counsel learned that Dr. Gates made an effort to become involved in an employment relationship with the Respondents previously and it was felt that it would be inappropriate to use him as an expert in this case for that reason [Tr. 1/10/97, pp. 181, JA 000320].

The Respondents eventually used Dr. Ojemann as their expert. Dr. Ojemann is very well known within the field of neurosurgery and epilepsy surgery and is nationally recognized for his expertise in this particular area [Tr. 1/10/97, pp. 182, JA 000321]. In fact, Dr. Ojemann's reputation is international [Tr. 1/10/97, pp. 125, JA 000267]. Dr. Ojemann was felt by Respondents to be straight forward and not a physician who

spends a lot of time testifying in lawsuits [Tr. 1/10/97, pp. 182, JA 000321]. Dr. Ojemann was produced for discovery late in the case for the sole reason that the Respondents had not been able to obtain Dr. Penney's deposition and the Respondents determined that the Petitioners' experts should be produced first since they had been requested first [Tr. 1/10/97, pp. 188-189, JA 000327-000328].

Respondents provided Dr. Ojemann with the entire record in the case and he determined what portions of the record were important and significant and necessary for his opinions in the case [Tr. 1/10/97, pp. 108, JA 000249-000250].

Dr. Ojemann's connections to Mayfield were as a colleague and due to the fact that virtually every expert in the field of epilepsy surgery is familiar with Respondents [Tr. 1/10/97, pp. 182-183, JA 000321-000322].

The delays in this case were the result of the initial dismissal of the Petitioners' claims, the fact that the Respondents had to file a Motion for Summary Judgment just to obtain the identities of the Petitioners' expert witnesses, the delays in identification of the Petitioners' expert witnesses and identification of other witnesses [Combs depo., pp. 26, JA 000593]. Respondents did not delay the case.

The evaluation of Dr. Penney as a neurosurgeon and expert witness was important to the case. He was considered a fair witness, but did not have nearly the qualifications of Dr. Yeh or Dr. Ojemann [Tr. 1/10/97, pp. 187, JA 000326]. Dr. Penney did not have much experience in epilepsy surgery and had only performed a handful of the procedures — by his own admission, epilepsy surgery was not his focus: his own brochure indicated that he specialized in spine surgery [Tr. 1/10/97, pp. 187, JA 000326] [Yeh depo., pp. 23 and 40, JA 000790, 000807]. Additionally, Dr. Penney was not even board certified in neurosurgery [Tr. 1/10/97, pp. 126, JA 000268]. Importantly, Dr. Penney conceded that Dr. Yeh was entitled to rely on the consultation by the treating neurologist, Dr. Privitera [Tr. 1/10/97, pp. 188, JA 000327].

Of particular importance at Trial was the testimony of Tracy Ashcraft's current treating neurologist, Dr. Heath. Dr. Heath was not an expert witness retained by the Respondents. Rather, he was the treating neurologist obtained by the Petitioners to treat Tracy Ashcraft from 1990 through the time of the Trial [Trial Tr., pp. 937-940, JA 000654-000657]. Dr. Heath has been treating patients with neurological difficulties for twenty three years including epilepsy patients. He was treating Tracy Ashcraft for his epilepsy and was the treating neurologist for Tracy Ashcraft for his epilepsy following the surgery and up to the time of Trial [Trial Tr., pp. 949-950, JA 000666-000667]. Dr. Heath testified that patients with seizures tend to have a worsening of the seizures over time [Trial Tr., pp. 950, JA 000667]. Dr. Heath testified that he had been following Tracy for the previous five to six years and that he had observed a gradual change in Tracy over the years [Trial Tr., pp. 952, JA 000669]. Dr. Heath specifically indicated that the cause of the change in Tracy Ashcraft following surgery was due to the use of different medications and that the natural progressions of a patient suffering seizures is to have a deterioration of their personality [Trial Tr., pp. 952-953, JA 000669-000670]. Dr. Heath testified that the problems that Tracy Ashcraft was having were the result of the natural progression of his epilepsy and not the surgery [Trial Tr., pp. 960, JA 000677].

The Respondents also called Dr. Bornstein, a neuropsychologist and Professor of Psychiatry, Neurology and Psychology and Director of the Neuropsychology Laboratory at the Ohio State University [Trial Tr., pp. 990-991, JA 000449-000450]. Dr. Bornstein had evaluated approximately five hundred epilepsy patients in his career [Trial Tr., pp. 991, JA 000450]. Dr. Bornstein examined Tracy Ashcraft in December, 1995 and reviewed previous psychological and neuropsychological examinations dating back to the time before Tracy's surgery in 1989 [Trial Tr., pp. 994-995, JA 000453-000454]. Dr. Bornstein testified that review of all the neuropsychological tests that have been performed on Tracy

Ashcraft demonstrated that, after his surgery, his performance and testing had returned to his base line level functioning before the surgery by September, 1991 so that any decline after that time was not related to the surgery [Trial Tr., pp. 1020-1021, JA 000479-000480]. The most likely cause of additional decline was the continued course of his seizure disorder [Trial Tr., pp. 1021, JA 000480].

The Respondents also called Dr. Hartings who had been hired by Petitioners to perform neuropsychological testing and Dr. Hartings testified that Tracy Ashcraft had returned to "base line" where he was before the surgery [Tr. 1/10/97, pp. 196, JA 000335].

Of significant importance in the evaluation of the case was the Summary Jury Trial in December, 1995. As District Court Judge Spiegel testified in the January 10, 1997 Prejudgment Interest Hearing, the purpose of the Summary Jury Trial was to predict the outcome of the Trial [Tr. 1/10/97, pp. 70, JA 000213] [Yeh depo., pp. 58-59, JA 000825-000826].

The Summary Jury Trial resulted in a verdict in favor of Respondents on the issue of liability [Tr. 1/10/97, pp. 85, JA 000228].

A month after the Summary Jury Trial, the Petitioners made their *first* settlement demand in the case at a Settlement Conference in January, 1996, only a few months before Trial and almost five years after the case was originally filed in 1991 [Tr. 1/10/97, pp. 192, JA 000331]. At the time of the Settlement Conference, Judge Spiegel was concerned with the Petitioners' informed consent claim and potential liability for Respondents on that claim [Tr. 1/10/97, pp. 193, JA 000332]. In fact, at Trial, the jury resolved the Petitioners' claim for lack of informed consent in favor of the Respondent [Tr. 1/10/97, pp. 193, JA 000332]. At the time of the Settlement Conference in January, 1996, the Petitioners' counsel advised Respondents' counsel that the Two Million Dollar ($2,000,000.00) demand was a "bottom dollar" demand — Petitioners never asked for a counter

offer or indicated that some other figure could be negotiated [Tr. 1/10/97, pp. 193-194, JA 000332-000333].

In fact, the Respondents had talked about an offer of Seventy Five Thousand Dollars ($75,000.00) to One Hundred Thousand Dollars ($100,000.00), but the Petitioners Two Million Dollar ($2,000,000.00) "bottom dollar" demand resulted in no offer of the Seventy Five Thousand Dollar ($75,000.00) to One Hundred Thousand Dollar ($100,000.00) range being made since it would be pointless [Tr. 1/10/97, pp. 129, JA 000271].

Respondents' insurance company, Physician's Insurance Company of Ohio, also sent the case to "claims committee" where the case was reviewed by an attorney and a physician who also recommended that the case should be defended [Cole depo., pp. 21-22, JA 000549-000550]. The Mayfield Neurological Group evaluated the claim including a Board of Directors meeting in which Dr. Yeh made a presentation, followed by a discussion and consideration of the legal process [Tew depo., pp. 12-13, JA 000715-000716]. Respondents never had a policy to not settle cases [Tew depo., pp. 42, JA 000745], and, in fact, since 1970, the Respondents have settled more than fifty percent of the lawsuits filed against them [Tew depo., pp. 42, JA 000745] [Gilligan depo., pp. 16-17, JA 000611-000612]. Dr. Tew was the Chairman of Mayfield and the Chairman of the Neurosurgery Department at the University of Cincinnati and has extensive training in neurosurgery and epilepsy including two years of training at the National Institute of Health and six years of residency in that area [Tew depo., pp. 13-14, JA 000716-000717]. Dr. Tew performs surgery for epilepsy and has been operating on epileptic patients since 1969 [Tew depo., pp. 13-15, JA 000716-000718]. Dr. Tew was involved in the claims evaluation by Mayfield and spoke with Dr. Yeh regarding the case and, together with the Mayfield Board, reached a consensus that the case should be defended [Tew depo., pp. 16-19, 28, 36, JA 000719-000722, 000731, 000739].

In considering the liability situation, the Respondents considered the review of the case by their own expert witnesses,

the results of the Summary Jury Trial, the result of a multi-disciplinary conference that indicated that Tracy Ashcraft should have the surgery in question and the fact that the Respondents had the case reviewed by one of the leading experts in the world, Dr. Ojemann, who opined that they had no liability in the case [Tr. 1/10/97, pp. 125-126, JA 000267-000268].

The Respondents filed two Motions for Continuance in the case. One was a request for continuance of the Trial or for exclusion of the Petitioners' experts since the Respondents had not been able to obtain discovery of the Petitioners' experts' opinions [Tr. 1/10/97, pp. 194, JA 000333]. The other Motion for Continuance was due to the fact that Respondents' counsel was in the middle of another Trial and a *two day* continuance of the Trial was obtained so that she could finish the Trial in which she was already involved [Tr. 1/10/97, pp. 194, JA 000333].

Respondents continuously attempted to resolve discovery disputes extra judicially and gave Petitioners significant leeway as the Petitioners consistently indicated that they needed more time in the case [Tr. 1/10/97, pp. 199, JA 000338].

In Judge Spiegel's testimony, he indicated that it was demonstrated that Petitioners difficulties with the discovery were due to Dr. Privitera of the University of Cincinnati and not with Respondents [Tr. 1/10/97, pp. 82-84, JA 000225-000227].

With regard to the Petitioners' request for a tape of a presentation made by Dr. Yeh, the tape was kept by the University of Cincinnati library and Dr. Yeh had never even seen the tape [Yeh depo., pp. 35-36, JA 000802-000803].

Part of the evidence considered by the District Court upon the Motion for Prejudgment Interest was the claims file of Physicians of Insurance Company of Ohio, the Respondents' insurance company. Similarly, the Respondents requested and then moved to compel production of the Petitioners' file to investigate whether or not the Petitioners cooperated with the discovery, delayed the case or made a good faith effort to settle the case. Respondents' Motion to Obtain the Petitioners' files

was denied [Tr. 3/28/97, pp. 2, JA 000370]. On the other hand, the claims file was admitted as an exhibit [Tr. 3/28/97, pp. 4, JA 000372].

Even though the claims file had been filed as an exhibit in the case, the Petitioner attempted to introduce a so called "summary" of the claims file which was actually not a proper summary under Rule 1006 of the Federal Rules of Evidence. The record reflects that Petitioners made only a partial list of things that were in the claims file and characterized the evidence with a clear slanting of the presentation of the evidence [Tr. 3/28/97, pp. 9-10, JA 000377-000378]. The court determined that it would look at Rule 1006 and consider the summary [Tr. 3/28/97, pp. 10, JA 000378]. After reviewing Rule 1006 and the proposed summary, the court determined that it was not a summary and, rather, was only an excerpt of a few items that were in the claims file and that it would not be helpful to the court [Tr. 3/28/97, pp. 43-44, JA 000411-000412]. In fact, review of the 1/10/97 Hearing shows that the Petitioners were given every opportunity to present their case and to present argument including the court's statement at the end of the 3/28/97 Hearing that the court had already heard everything and had lived with the case for a long time, but still Petitioners' counsel was still permitted to argue further [Tr. 3/28/97, pp. 32-33, JA 000400-000401].

Petitioner Carolyn Ashcraft brought a claim against the Respondents for loss of consortium for the harm done to her adult son. At the time of his surgery, Tracy Ashcraft was 20 years old. Petitioner Carolyn Ashcraft's claim was dismissed upon a motion for directed verdict following the opening statements of the parties. Petitioners failed to make a statement in opening statements that Tracy Ashcraft had been reduced to the mental capacity of a child.

REASONS FOR DENYING THE WRIT

I. THE FACTS OF THE CASE AND COURSE OF THE PROCEEDINGS DID NOT SUPPORT THE IMPOSITION OF PREJUDGMENT INTEREST.

II. THE UNITED STATES DISTRICT COURT PROVIDED A MEANINGFUL HEARING ON THE PETITIONER'S MOTION FOR PREJUDGMENT INTEREST

In the District Court's well reasoned decision overruling Petitioners' Motion for Prejudgment Interest, the court found that Respondents did not make a settlement offer; that Respondents were not required to make a settlement offer as Respondents had a good faith, objectively reasonable belief they were not liable to Ashcraft; that Respondents fully participated and cooperated in discovery; and that Respondents did not attempt to unnecessarily delay the resolution of the matter [R. 157, Order, 3/31/97, JA 000055].

Petitioners do not dispute that the District Court properly utilized the applicable law in overruling his Motion for Prejudgment Interest. Rather, Petitioners argue that the District Court abused its discretion when weighing the evidence as presented from both parties' Briefs and two evidentiary hearings where the testimony of numerous individuals was heard. Ample evidence can be found in the record to support the District Court's findings and ruling, including the District Court's *two* hearings on the subject. Thus, Petitioners can not demonstrate that the District Court abused its discretion in overruling Petitioners' Motion for Prejudgment Interest.

Petitioners' Motion for Prejudgment Interest sought to recover Prejudgment Interest under Ohio Revised Code § 1343.03(C) which states:

> Interest on a judgment, decree, or order for the payment of money rendered in a civil action based on tortious conduct and not settled by agreement of the parties, shall be computed from the date the cause

> of action accrued to the date on which the money is paid, if, upon motion of any party to the action, the Court determines at a hearing held subsequent to the verdict or decision in the action that the party required to pay the money failed to make a good faith effort to settle the case and that the party to whom the money is to be paid did not fail to make a good faith effort to settle the case.

Thus, Petitioners bore the burden of demonstrating that Respondents failed to make a good faith effort to settle the case and that Petitioners did not fail to make a good faith effort to settle the case. The definition of a good faith effort to settle is absent from O.R.C. § 1343.03(C), but has been developed by the case law.

In *Kalain v. Smith*, 25 Ohio St. 3d 157, 495 N.E.2d 572 (1986), the Supreme Court of Ohio set forth the criteria necessary for a showing of when a party has not failed to make a good faith effort to settle under R.C. 1343.03(C) by stating:

> If he has (1) fully cooperated in discovery proceedings, (2) rationally evaluated his risks and potential liability, (3) not attempted to unnecessarily delay any of the proceedings, and (4) made a good faith monetary settlement offer or responded in good faith to an offer from the other party.
>
> If a party has a good faith, objectively reasonable belief that he has no liability, he need not make a monetary settlement offer.

Id.

Thus, a party need not make a monetary settlement offer if that party has a good faith objectively reasonable belief that he has no liability. *Kalain*, *supra* at 157. Respondents did not make a settlement offer: Respondents had a good faith, objectively reasonable belief that they had no liability.

The record demonstrates ample evidence in support of the District Court's finding that Respondents had a good faith

objectively reasonable belief that they had no liability, including but not limited to:

1. Dr. Yeh is an eminently qualified neurosurgeon, well respected in his field;
2. The decision to go forward with the surgery was not made solely by Dr. Yeh, but was the product of an epilepsy conference at the University of Cincinnati Medical Center which determined that the surgery was appropriate;
3. Dr. Yeh reasonably relied on the opinions of the treating neurologist, Dr. Privitera, which reliance was acknowledged as reasonable by the Petitioners' experts, Dr. Penney and Dr. Krauss;
4. The Respondents had the benefit of the expert opinion of Dr. Ojemann, a nationally and internationally renowned expert in the field of epilepsy surgery who determined that Respondents met the standard of care in proceeding with and performing the surgery on Tracy Ashcraft;
5. Tracy Ashcraft's very own treating neurologist who has been treating him since the time of the surgery testified that Tracy's problems were the result of the natural progression of his disease and not related to the surgery;
6. Dr. Bornstein, a neuropsychologist from the Ohio State University, thoroughly tested and reviewed the available neuropsychological testing data on Tracy before and after his surgery and concluded that no injury had taken place;
7. The Petitioners' expert neurosurgeon, Dr. Penney, had performed only a handful of epilepsy surgeries and was, in fact, a specialist in spine surgery and was not even board certified in neurosurgery. Dr. Penney was the only neurosurgeon called as an expert witness for the Petitioners;

8. The parties proceeded to a Summary Jury Trial in December, 1995 at which time both parties presented their evidence to an impartial jury and that jury found in favor of the Respondents on the issue of liability. Judge Spiegel told the Respondents at the time and subsequently testified in a Hearing in this matter that the Summary Jury Trial is a prediction of the outcome of Trial;
9. The Petitioners' first and only demand in the case was for Two Million Dollars ($2,000,000) and did not take place until January, 1996, five years after the case was originally filed;
10. The Petitioners, even though they made a Two Million Dollar ($2,000,000) demand in January, 1996, did not provide Dr. Krauss and Dr. Penney up for deposition until one month before Trial and, in fact, Dr. Penney's deposition did not take place until less than two weeks before Trial;
11. The Respondents consulted numerous expert witnesses *all* of whom provided favorable opinions once they had all of the records in the case. There was a delay in getting all of the records in the case as the Respondents were unable to obtain them in a timely matter through the Petitioners;
12. Respondents made no effort to delay the Trial in this matter. The continuances that took place were either by joint motion or were the result of the Petitioners seeking a continuance since the Petitioners had refused to offer their expert witnesses up for deposition; and
13. Judge Spiegel expressed some concern that the Respondents might have liability on the issues of informed consent, but the actual jury verdict in this case was rendered in favor of the Respondents on the informed consent issue.

Ohio law is clear that a party acts in good faith when he refuses to make an offer of settlement when he relies upon expert opinion. *Gallimore v. Children's Hospital Medical Center* (Case No. C-890808, First District Court of Appeals, February 6, 1992); *Holman v. Grandview Hospital Medical Center*, 37 Ohio App. 3d 151 (1987).

The Respondents refer this Court to the unreported opinion in *Gallimore v. Children's Hospital Med. Ctr.*, *supra* for the reason that it is one of the few cases considering prejudgment interest where the court has actually looked at the issue of the Respondents reliance on expert opinion in determining that the Respondents had a reasonable belief in no liability. In that case, the Respondent refused to make an offer of settlement and the jury returned a verdict in excess of One Million Dollars ($1,000,000). Therein, the Court of Appeals stated:

> We believe that the hospitals reliance upon the opinions of Joshua Best's treating physician and other experts that the overdose of gentamicin was not the cause of Joshua's deafness represented a rational evaluation of it's potential liability. The fact that the jury did not credit that expert evidence and returned a verdict for *Gallimore* does not lead to the conclusion that the hospital acted without good faith.

Gallimore v. Children's Hospital Med. Ctr., *supra* at 11.

In *Holman v. Grandview Hospital Med. Ctr.*, *supra*, the Defendant hospital refused the Plaintiff's demand settlement demand of Sixty Thousand Dollars ($60,000) and the jury returned a verdict of One Hundred Eight Thousand Dollars ($108,000). Two experts were retained by the hospital, one of whom was inconsistent on the issue of liability. The Court of Appeals, however, upheld the decision that there should be no prejudgment interest due to the hospital's reliance on it's expert witness. In doing so, the court stated:

> While the jury chose not to accept Dr. Brandabur's opinion as to what caused the injury, we cannot say that the Defendant was not being "objectively

> reasonable" when it took the position that there was no liability in reliance upon Brandabur's opinion. Under *Kalain*, Grandview was under no obligation to make a settlement offer.

Holman v. Grandview Hospital Med. Ctr., 37 Ohio App. 3d at 159.

Further, in *Black v. Bell*, 20 Ohio App. 3d 84, 88 (1984), the court aptly stated:

> Fortuitous foresight does not demonstrate good faith settlement efforts. Nor does poor predictive ability necessarily establish a failure to make such efforts.

In the Petition, Petitioners incorrectly cite a number of court opinions that are not applicable to the issues in this case. In *Brown v. Consolidated Rail Corp.*, 614 F. Supp. 289 (N.D. Ohio ed. 1985), the District Court was considering prejudgment interest based on Federal Statues which required the imposition of such interest. Ohio Revised Code § 1343.03(C) does not require imposition of prejudgment interest without application of the test as outlined in the Ohio Supreme Court's decision in *Kalain v. Smith, supra.*

The Petitioners also cite an Ohio Supreme Court decision in *Royal Elec. Constr. v. OSU*, 73 O.S.3d 111 (1995), but that case deals with application of Ohio Revised Code § 1343.03(C) which deals with claims based on contract where prejudgment interest is required and no test is applied. Ohio Revised Code § 1343.03(C) deals with prejudgment interest in tort cases. Interestingly, the Petition recites Ohio Revised Code § 1343.03(C) and then immediately cites a case interpreting a different statute for the proposition that prejudgment interest should have been awarded in this case.

Petitioners disingenuously claim that Respondents had difficulty obtaining experts. A party is always entitled to choose any expert they desire. Petitioners' delay in responding to discovery requests for nearly two years after the case was filed interfered with Respondents' efforts to obtain experts

[Tr. 1/10/97, pp. 171-172, JA 000310-000311]. Respondents ultimately chose Dr. Ojemann for the reason that Dr. Ojemann was the most credible witness and would make the best impression upon the jury [Tr. 1/10/97, pp. 182, JA 000321].

Perhaps the most compelling evidence that Respondents had a good faith, objectively reasonable belief that they had no liability comes from the defense verdict in the Summary Jury Trial held in December, 1995 [Tr. 1/10/97, pp. 85, JA 000228]. After hearing all the evidence, the Summary Jury found that Respondents were not liable to Petitioners [Tr. 1/10/97, pp. 85, JA 000228]. The Summary Jury Trial was clearly a presentation of the case to an impartial and objective third party: the jury. That jury determined the issue of liability in favor of the Respondents. As Judge Spiegel testified in the January 10, 1997 Prejudgment Interest Hearing, the purpose of the Summary Jury Trial was to predict the verdict of the Trial [Tr. 1/10/97, pp. 70, JA 000213]. The Summary Jury Trial's defense verdict substantiated Respondents good faith objectively reasonable belief that they had no liability.

III. THE STATE OF OHIO HAS NOT RECOGNIZED A PARENTAL CLAIM FOR LOSS OF CONSORTIUM WITH AN ADULT CHILD WHERE THE CHILD HAS BEEN NON-FATALLY INJURED AND THE "DUE PROCESS" CLAUSE OF THE UNITED STATES CONSTITUTION IS NOT VIOLATED WHERE NO PROPERTY RIGHT EXISTED.

The District Court properly dismissed the Petitioner Carolyn Ashcraft's claim for loss of consortium for the harm done to her adult son. Jurisdiction, vary as to whether they recognize a parental cause of action for harm done to their children. *See generally, Extending the Motion of Consortium to the Filial Relationship*, 1989 U.Il.L. Rev. 761 (1991). Historically, courts have denied the parents' claim for recovery of the loss of their child's consortium where a child was non-fatally injured. *See Id.* at 761. Ohio permits the parents' claim

for recovery of the loss of their child's consortium where a child has been non-fatally injured. *Gallimore v. Children's Hospital Medical Center*, 67 Ohio St. 3d 244, 617 N.E.2d 1052, at syllabus par. 1 (1993). However, Ohio has explicitly limited a parents' right of recovery where the injured child is a *minor*. *Id.* at 252.

In *Gallimore*, the Supreme Court of Ohio recognized that a number of jurisdictions have *refused* to recognize the existence of a parental cause of action for the loss of consortium of their children. 67 Ohio St. 3d 254, n.8[1]. In limiting the parents' cause of action to the injuries to a minor child, the Supreme Court of Ohio stated:

> As to the "need" to limit liability, appellant suggests that recognizing the right of parents to maintain a claim for loss of filial consortium (in a derivative action already recognized by law) could eventually lead to the recognition of the right of step parents, brothers, sisters, aunts, uncles, and grandparents, etc., to maintain separate actions for the loss of consortium of the injured child. Appellant essentially urges that a line must be drawn, and that it be drawn here. *We agree with appellant that a line should be drawn somewhere, and today we hold only that the parents of a minor child* may maintain a claim for loss of filial consortium.

Id. (emphasis added).

Petitioners propose that this Court ignore the substantive law of Ohio as defined by Ohio's Supreme Court and adopt the minority rule which recognizes a parental cause of action for loss of consortium of their adult children. Of particular relevance, Petitioners cite *Howard Frank, M.D., P.C. v. Superior*

1. Indeed, the following states do not recognize a common law parental cause of action for the loss of consortium of their children: Alabama, California, Illinois, Massachusetts (superseded by statute), Michigan, Mississippi, Missouri, New Hampshire, Utah, Nevada, Wyoming, New Mexico and New York.

Court, 150 Ariz. 228, 722 P.2d 955 (1986) in which the Arizona Supreme Court recognized a parental cause of action for the loss of consortium of their adult children. In *Gallimore*, *supra*, the Supreme Court of Ohio specifically considered the Arizona rule as set forth in *Howard Frank, M.D., P.C., supra*. *See Gallimore*, 67 Ohio St. 3d 250. However, the Supreme Court of Ohio declined to adopt the rule as adopted by Arizona and instead specifically chose to draw the line of parental loss of consortium claims for injuries to their *minor* children. *Id.* at 252.

Petitioners simply argue that the Arizona view is better. However, Ohio has chosen not to adopt the Arizona view. Since the Supreme Court of Ohio has drawn this line, the District Court properly dismissed Petitioner Carolyn Ashcraft's claim as her son was an adult at the time he was allegedly injured.

Petitioners go on to claim that Tracy Ashcraft had been reduced to the existence of a minor without any citation to the record or evidence thereof. Ohio does not recognize such a distinction. The Supreme Court of Ohio clearly drew the line for only *minor* children. In *Cole & Broomsticks, Inc.*, Case Nos. C-950058 and C-950086, First District Court of Appeals of Ohio (Nov. 15, 1995), the court stated:

> This cause has not been extended by Ohio Courts to the parents of adult children. The rationale given by other Ohio Courts is that parents bear a *natural and legal* burden of care for minor children, but not for adult children.

(Emphasis added) (citations omitted). *Cole & Broomsticks, Inc.* at 3.

The same rationale precludes Petitioners from extending Ohio law to provide a cause of action where the parent's adult child is allegedly reduced to the mental status of a minor. One of the goals of parenthood is to raise children whom will be independent in adulthood. The natural parental burden of care certainly is different when a child is two and when the child is

twenty-two. More importantly, however, a parent in Ohio is *legally* required under the laws of Ohio to care for their minor child. When the child reaches the age of majority, the parent no longer has a legal obligation to bear this burden of care. Since the legal burden of care terminates upon the child's reaching majority, Ohio courts have found that the parents' right to loss of the child's consortium similarly terminates upon the child reaching majority, *See Gallimore*, *supra*; *Broomstick*, *supra*.

Again, where to draw the line is properly a matter of State law. In *Baker v. Superior Court*, 19 Cal. 3d 461, 464, 563 P.2d 871, 873, 138 Cal. Rptr. 315, 317 (1977), California refused to recognize the parents' cause of action against a doctor and hospital for loss of filial consortium where their son was given an incorrect dosage of general anesthesia and reduced to a mental age of three. Ohio has clearly adopted a rule of law that limits the parents' recovery for loss of filial consortium for injuries to their *minor* children.

The Ohio Supreme Court has never held that an injury to an adult child, under circumstances where the adult child is under some mental disability, creates a cause of action for loss of consortium for the parents. The line has to be drawn somewhere and the Supreme Court of Ohio has drawn it to limit such claims only when injuries are to minor children.

Moreover, Petitioners failed to make a statement in their opening statement that Tracy Ashcraft had been reduced to the mental capacity of a child. Thus, the District Court properly directed a verdict in favor of the Respondents on Petitioner Carolyn Ashcraft's claim for loss of consortium of her adult child.

Petitioners fail to properly raise the constitutionality of Ohio's Rule limiting parental consortium claims for *minor* children as an issue for appeal. Thus, Ashcraft is precluded from asserting this argument.

Without waiving Ashcraft's failure to specifically raise the constitutionality of the Ohio Rule, Respondents note the following:

1. Ohio's Rule meets constitutional muster; and,
2. The fact that the Rule varies jurisdictionally demonstrates that Ohio is permitted to define this cause of action as it sees fit.

In passing, Petitioners argue that the Ohio Rule limiting parental consortium claims to harm done to their *minor* children violates the Federal Constitutional provisions for due process.[2] Due process is violated when there is an improper taking of a property right. A right of action in tort is a property right protected by the U.S. and Ohio Constitutions. *See Pickering v. Peskin*, 43 Ohio App. 401, 407 (1930). However, a right of action in tort is only constitutionally protected if it is vested. *See Id.* A cause of action in tort vests when the Petitioner sustains an injury *which the General Assembly has determined is "legally recognizable." Vrable v. Vrable*, 9 Ohio App. 3d 263, 271 (1983).

As demonstrated by *Gallimore*, *supra*, Ohio does not recognize a common law (or legislative) cause of action for parental loss of consortium of their adult children. Therefore, Mrs. Ashcraft's right of action in tort never vested and is not protected by the Due Process Clause of the United States or Ohio Constitutions.

IV. THE DISTRICT COURT PROPERLY ORDERED A SATISFACTION OF JUDGMENT WHERE RESPONDENT HAD PAID THE AMOUNT OF THE JUDGMENT INTO THE COURT.

Respondents offered to pay the Petitioners the full amount of the judgment with postjudgment interest as of the date the offer was made. In order to protect themselves, Respondents required Petitioners to sign and file a Satisfaction of Judgment. Petitioners refused to sign the satisfaction of judgment, but rather insisted upon holding Respondents hostage to ever escalating postjudgment interest.

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2. The Due Process clause of the U.S. Constitution is found at Amendment V and is made applicable to the states, including Ohio, by U.S. Const. Amendment XIV.

It is well settled that postjudgment interest ceases to accrue once the Judgment is paid into the Clerk of courts. *See* Fed. R. Civ. P. 67; *Condero v. DeJesus-Mendez*, 922 F.2d 11, 18 (1st Cir. 1990). The Satisfaction of Judgment represented only the verdict and the postjudgment interest and specifically did not relate to and did not prejudice Petitioners' pending appeals. The Judgment which was satisfied was only that for the verdict and all postjudgment interest: it did not include a Judgment for Carolyn Ashcraft's alleged loss of consortium or Tracy Ashcraft's claim for prejudgment interest which were pending on appeal. Those Judgments would be separate from the Judgment that was satisfied.

Petitioners' reliance on *Seifert v. Burroughs*, 526 N.E.2d 813 (1988) is misplaced. In *Seifert*, *supra*, the court held that where a judgment is rendered against joint tortfeasors, and one of them satisfies the judgment, any appeal the Petitioners may have had against the other was rendered moot because there can only be one satisfaction of judgment. While it is true that a judgment can only be satisfied once, Petitioners' claims for prejudgment interest and loss of consortium were *not* included in the Judgment satisfied by Respondents. Therefore, the Trial Court properly held that Respondents had satisfied the Judgment and the Order of Satisfaction of Judgment should be AFFIRMED.

V. PETITIONERS' PAYMENT OF A REGISTRY FEE DID NOT VIOLATE THE FEDERAL CONSTITUTION.

Petitioners complain that the Clerk of courts charged them One Thousand Eight-Six Dollars and Sixty Cents ($1,086.60) for a "registry fee" and again argues that the Respondents wrongfully paid the judgment into the Clerk of courts even though the Petitioners had refused to accept direct payment of the judgment when repeatedly offered by Respondents in return for a Satisfaction of Judgment. Again, Petitioner's desire to hold Respondents hostage to postjudgment interest by failing to accept the payment of the judgment forced Respondents to pay

the money into the court. Certainly, Respondents were permitted to pay the judgment into the court. *See* Fed. R. Civ. P. 67; *Condero, supra* at 18, *Devex Co. v. General Motors Corp.*, 638 Fed. Supp. 940 (D. Del. 1986).

The "registry fee" was required solely due to the Petitioners' intransigence in failing to accept payment and it would be unfair to require Respondents to now pay it. *See Overbek v. Heimbek*, 101 F.3d (1996). Further, it is important to note that the Clerk of courts charged Petitioners the registry fee so that it could place the judgment into an interest bearing account. Even with the registry fee, Petitioners retained the benefit of nearly Eleven Thousand Dollars ($11,000) in interest for the reason that the Clerk placed the Judgment in an interest bearing account. Petitioner should not be permitted to now complain of the cost of placing the Judgment in an interest bearing account from which Petitioners earned approximately Eleven Thousand Dollars ($11,000).

VI. IN A TORT ACTION BROUGHT IN FEDERAL COURT BASED ON DIVERSITY OF JURISDICTION, POSTJUDGMENT INTEREST SHOULD BE CALCULATED ACCORDING TO FEDERAL LAW.

Petitioners incorrectly urge that postjudgment interest in the instant action should have been determined by Ohio's postjudgment interest statute (O.R.C. § 1343.03(C)). However, this case was heard in U.S. District Court pursuant to diversity jurisdiction under 28 U.S.C. § 1332. Postjudgment interest on *any* judgment in a civil case heard in a U.S. District Court is governed by 28 U.S.C. § 1961, which provides the rate of interest and states in pertinent part:

> **§ 1961. Interest.**
>
> Interest shall be allowed on *any monetary judgment in a civil case recovered in a district court* . . . Such interest shall be calculated from the date of the entry of judgment, at a rate equal to the coupon issue yield

> equivalent (as determined by the Secretary of the Treasury) of the average accepted auction price for the last auction price for the last auction of fifty-two week United States Treasure bills settled immediately prior to the date of the judgment . . .

(Emphasis added). Clearly, Petitioners' Judgment in the District Court in this diversity non-contractual case falls within the broad definition of "any monetary judgment in a civil case rendered in a District Court" for which 28 U.S.C. § 1961 applies. Numerous decisions rendered in other circuits affirm that the postjudgment interest rate provided in 28 U.S.C. § 1961 applies to diversity judgments rendered in a civil case recovered in a District Court.[3]

The Supreme Court of the United States has refused to grant certiorari to Circuit Court decisions that held the postjudgment interest rate provided in 28 U.S.C. § 1961 is properly applied to judgments in diversity cases rendered in District Courts.[4]

Petitioner relies on *Andoco, Inc. v. Reynolds Metals Co.*, 572 F. Supp. 895, 896 (W.D. Mich. 1983), *aff'd*, 743 F.2d 417 (6th Cir. 1984) for the proposition that the Sixth Circuit has held

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3. *Adams-Arapahoe Joint School Dist. No. 28-J v. Continental Ins. Co.*, 891 F.2d 772 (10th Cir. 1989); *Plant v. Estate of Rogers*, 959 F. Supp. 1302 (D. Colo. 1997); *Everaard v. Hartford Acc. And Indem. Co.*, 842 F.2d 1186 (10th Cir. 1988); *Forest Sales Corp. v. Bedingfield*, 881 F.2d 111 (4th Cir. 1989); *Inssho-Iwai Co., Ltd. v. Occidental Crude Sales, Inc.*, 848 F.2d 613 (5th Cir. 1988); *Happy Chef Systems, Inc. v. John Hancock Mut. Life Ins. Co.*, 933 F.2d 1433 (8th Cir. 1991); *Mobile Exploration & Producing North American, Inc. v. Graham Royalty, Ltd.*, 910 F.2d 504 (8th Cir. 1990); *American Tel. & Tel. Co. v. United Computer Systems, Inc.*, 98 F.3d 1206 (9th Cir. 1996); *G.N. Broad. & Co., Inc. v. U.S. Home Corp.*, 759 F.2d 1526 (11th Cir. 1985); *Harmon v. Clark Equipment Co.*, 657 F. Supp. 873 (D. Me. 1987).

4. *See Chapman v. Cole & Intel Container Intern. B.V.*, 865 F.2d 676 (10th Cir. 1989), *cert. den., Urquhart & Hassel v. Chapman & Cole*, 493 U.S. 872 (1989); *Wilson v. Burlington Northern R. Co.*, 803 F.2d 563 (10th Cir. 1986), *cert. den.*, 480 U.S. 946 (1987); *Evans v. City of Chicago*, 873 F.2d 1007 (7th Cir. 1989), *reh'g den., cert. den.*, 495 U.S. 956 (1990).

that state law applies to postjudgment interest in diversity cases. A careful reading of *Andoco*, *supra* reveals that the court relied upon 28 U.S.C. § 1961 in deciding that state law applied to postjudgment interest in diversity cases. 743 F.2d at 419-420. Clearly, in *Andoco*, *supra*, the court erroneously relied upon 28 U.S.C. § 1961 as it was written prior to its Amendment on October 1, 1982 which provided that postjudgment would be provided "at the rate allowed by State law". *See* 28 U.S.C. § 1961 (1976); 1982 – Subsec. (a). Pub. L. 97-164; § 302(a)(1),(2). The Respondent in *Andoco*, *supra* did not raise the court's failure to recognize the October 1, 1982 Amendment of 28 U.S.C. § 1961 and, so, Petitioners' reliance thereon is misplaced.[5]

Clearly, 28 U.S.C. § 1961, as it has existed since October 1, 1982 provides the rate for postjudgment interest in diversity cases. State law does not. Since the Trial Court applied the rate for postjudgment interest found in 28 U.S.C. § 1961, the proper rate for any judgment in District Court, the Trial Court should be AFFIRMED.

Petitioners further argue that 28 U.S.C. § 1961 is unconstitutional, as applied to this case, for the reason that it violates the Fifth Amendment of the United States Constitution by denying Petitioners due Process of Law. As demonstrated herein, 28 U.S.C. § 1961 was amended on October 1, 1982 to provide a federal interest rate to all civil judgments taken District Court. *See* 28 U.S.C. § 1961, 1982 Subsec. (a) Pub. L. 97-164, § 302(a)(1), (2). The federal statutory right (including the rate) was established long before Petitioners filed their Complaint. Petitioners did not have property interest in a higher rate of prejudgment interest than that provided by 28 U.S.C. § 1961.

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5. Petitioner also cites *Yasuko N. Sakamoto v. John A. Walkup*, 762 F.2d 1011 (6th Cir. 1985) for the erroneous proposition that state law applies to postjudgment interest in diversity cases. However, *Sakamoto*, *supra* is merely Sixth Circuit's affirmance of an unpublished opinion by the lower court. There is no discussion whatsoever of the merits of the case and, thus, provides this Court no guidance.

By subjecting themselves to Federal jurisdiction, Petitioners were bound by the Federal rate of postjudgment interest found in 28 U.S.C. § 1961.

- Further, in *Weitz Co. v. M-Kan Carpet, Inc.*, 723 F.2d 1382 (8th Cir. 1983), a case cited by Petitioners, the court found that 28 U.S.C. § 1961 was constitutional (although the challenge there was based on the Sixth Amendment).

Petitioners' first objection to the rate of postjudgment interest came on Appeal. Although Petitioners objected to the Trial Court's granting Respondents Motion for Satisfaction of Judgment, Petitioners' objection was solely based on the erroneous proposition that entering a Satisfaction of Judgment would render Petitioners' pending appeal moot. Petitioners failed to object to the calculation of interest and, therefore, waived their right to do so now.

VII. PETITIONERS' FAILURE TO MAKE ANY TIMELY EFFORT TO PRESERVE THE RECORD OF PRIVILEGED PORTIONS OF RESPONDENTS' "CLAIM FILE".

As set forth in the Statement of the Case, Petitioners did nothing to preserve the record of the documents from the insurance company claims file which were withheld on grounds of privilege. Petitioners' first effort in this regard was not until January 23, 1998 when the Petitioners moved the court to complete the record by including the documents from the *in camera* inspection that occurred on October 11, 1996. The court denied the Motion since the documents were no longer in the possession of the court or the Clerk and Petitioners had made no effort to have the *in camera* documents marked or otherwise sealed and made part of the record.

Petitioners were well aware that the District Court agreed to make an *in camera* inspection of the documents from the Respondents' insurance company's claim file. Respondents' insurer claimed that some of these documents were subjected to privilege. Nonetheless, Petitioners failed to request that the documents be marked as an exhibit and otherwise failed to make any efforts to preserve the documents for appellate review. Only after the

Petitioners began the pursuit of an appeal of the denial of the Motion for Prejudgment Interest did they request the documents be designated as an exhibit for appellate review.

Petitioners' reliance on *In United States of American, ex rel. Taxpayers Against Fraud v. General Electric*, 41 F.3d 1032 (6th Cir. 1994) and *Ingle v. Dept. Justice*, 698 F.2d 259, 263 (6th Cir. 1983) is misplaced. Those cases dealt with judicial review of an administrative agency's denial of a plaintiff's Freedom of Information Act request. Thus, the subject matter of the entire action was the discoverability of the documents. Herein, the in camera review of the documents Respondents claimed were privileged was within the context of Petitioners' Motion for Prejudgment Interest. While Petitioners may discover the insurer's claims file in a prejudgment interest hearing, that "right" is not absolute. *See Peyko v. Frederick*, 25 Ohio St. 3d 164, 495 N.E.2d 918 (1986). Indeed, documents within the claims file which go to the theory of defense in the case are privileged and are not discoverable. *Id.* The proper procedure was to conduct an in camera inspection of the privileged documents so that the court could decide whether the claims of privilege had merit. The Trial Court followed proper procedure and found that the documents were privileged. Petitioners' failed to request that the documents be marked as an exhibit and made no effort to include them as part of the record. Therefore, Petitioners waived any alleged error.

CONCLUSION

For the reasons given above, the Petition should be denied.

Respectfully submitted,

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